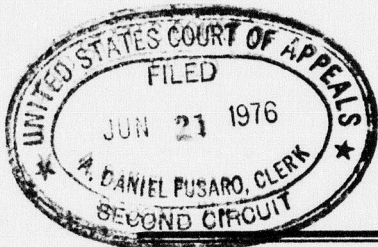


***United States Court of Appeals
for the Second Circuit***



APPENDIX



76-7174

United States Court of Appeals

FOR THE SECOND CIRCUIT

COASTAL STATES GAS CORP.,

Plaintiff-Appellant,

—against—

ATLANTIC TANKERS, LTD.,
ATLANTIC TANKERS, LTD.—MONROVIA,
ST. PAUL MARINE TRANSPORT CORP.,

Defendants-Appellees.

APPEAL FROM UNITED STATES DISTRICT COURT,
SOUTHERN DISTRICT OF NEW YORK

APPENDIX

KIRLIN, CAMPBELL & KEATING
Attorneys for Plaintiff-Appellant,
Coastal States Gas Corp.
120 Broadway
New York, New York 10005

HAIGHT, GARDNER, POOR & HAVENS
Attorneys for Defendants-
Appellees, Atlantic Tankers,
Ltd.—Monrovia
One State Street Plaza
New York, New York 10004

PAGINATION AS IN ORIGINAL COPY

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

COASTAL STATES GAS CORPORATION,	:	
Plaintiff,	:	76 Civ. 524
- against -	:	
ATLANTIC TANKERS, INC.	:	RELEVANT DOCKET ENTRIES
ATLANTIC TANKERS, LTD. - MONROVIA and	:	
ST. PAUL MARINE TRANSPORT CORP.,	:	
Defendants.	:	

-----X

2-2-76	Filed Complaint.
2-6-76	Filed Plaintiff's Affidavit and Motion for Preliminary Injunction Enjoining Defendants Named From Proceeding With Appointment of Arbitrators, etc.
2-17-76	Filed Affidavit of Defendant Atlantic Tankers, Ltd. - Monrovia in Opposition to Motion of Plaintiff, Coastal States Gas Corporation, etc.
3-5-76	Oral Argument on Motion
3-22-76	Filed Final Order: Ordered That This Action is Stayed Pending Arbitration, etc.
4-5-76	Filed Notice that Coastal States Gas Corporation Appeals from Order Filed 3-22-76.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

COASTAL STATES GAS CORP.,	:	
Plaintiff,	:	
- against -	:	COMPLAINT
	:	76 Civil
ATLANTIC TANKERS, LTD.	:	
ATLANTIC TANKERS, LTD. - MONROVIA	:	
ST. PAUL MARINE TRANSPORT CORP.,	:	
Defendants.	:	

-----X

Plaintiff, by its attorneys, Kirlin, Campbell & Keating, complaining of the defendants, alleges on information and belief as follows:

FIRST: This is a case of admiralty and maritime jurisdiction, (28USC 1333) as hereinafter more fully appears, and is an admiralty or maritime claim within the meaning of Rule 9(h) of the Federal Rules of Civil Procedure.

SECOND: Alternatively this Court has jurisdiction under 28USC 1332 in that the amount involved exceeds \$10,000., exclusive of interest and costs and plaintiff is a corporation organized in the State of Delaware with offices located at 5 Greenway Plaza East, Houston, Texas and all the defendants are alien corporations organized under the laws of the Republic of Liberia.

THIRD: St. Paul Marine Transport Corp., has an office and place of business c/o F. Scinicariello, Via Cristoforo Colombo 45, I 80133, Naples, Italy.

FOURTH: This is an action for a declaratory judgment pursuant to 28 USC 2201, for the purpose of determining a question of actual controversy between the parties, as hereinafter more fully appears.

FIFTH: Defendant, St. Paul Marine Transport Corp., was the owner or chartered owner of the vessel S/T ST. PETER on or about August 2, 1973.

SIXTH: Foreign Energy Tankers, Inc. and defendant, St. Paul Marine Transport Corp., entered into a charter party for the vessel S/T ST. PETER dated August 2, 1973.

SEVENTH: By letter dated September 14, 1973 from H.D. Moore, Senior Vice-President of Coastal States Gas Corp., to St. Paul Marine Transport Corp., c/o Boyd, Weir & Sewell, Inc., Coastal States Gas agreed that if Foreign Energy Tankers, Inc. defaulted on the herein described charter party it would assume and perform such duties and obligations.

EIGHTH: By Addendum No. 2 to said charter party dated August 25, 1975, defendant Atlantic Tankers, Ltd. - Monrovia became liable for the performance of owner's obligations.

NINTH: During the performance of said charter party, the vessel S/T ST. PETER encountered and sustained serious mechanical failures and breakdowns. These deficiencies impeded the vessel's performance so seriously that it was taken off-hire by its owners.

TENTH: The frequency and duration of off-hire periods become so egregious and lengthy that the vessel S/T ST. PETER became of no practical and commercial use or value to the plaintiff.

ELEVENTH: Based upon the foregoing statements of facts, Foreign Energy Tankers, Inc., cancelled the aforementioned charter party as commercially frustrated and impracticable.

TWELFTH: The defendant, Atlantic Tankers, Ltd., through its attorneys, Haight, Gardner, Poor & Havens, whose offices are located at One State Street Plaza, New York, New York, served Foreign Energy Tankers, Inc. with a notice of arbitration dated November 6, 1975 and both defendant and Foreign Energy Tankers, Inc. have appointed their arbitrators who have appointed a third arbitrator and are now proceeding to arbitration in New York.

THIRTEENTH: Notwithstanding the above mentioned demand for arbitration against Foreign Energy Tankers, Inc. and the subsequent appointment of arbitrators, defendant, Atlantic Tankers, Ltd., through its attorneys Haight, Gardner, Poor and Havens, has now demanded arbitration against Coastal States Gas Corp., by letter of January 2, 1976. This demand for arbitration of January 2, 1976 against this plaintiff is based solely upon the letter described in paragraph SEVENTH above.

FOURTEENTH: The arbitration clause in the charter party between Foreign Energy Tankers, Inc., and

St. Paul Marine Transport Corp., dated August 2, 1973 provides that if the plaintiff does not nominate its arbitrator within twenty (20) days of the receipt of notice of arbitration, then the arbitrator named by the defendant will name an arbitrator on behalf of the plaintiff, and the two arbitrators so named will select a third arbitrator, and proceed with the arbitration proceedings.

FIFTEENTH: The plaintiff alleges that since there is no charter party executed or made between these parties it cannot agree to arbitration. Defendant's sole basis for demanding arbitration against this plaintiff is the above mentioned letter of September 14, 1973. Plaintiff is not a party to the arbitration clause set forth in paragraph FOURTEENTH.

SIXTEENTH: If such arbitration proceedings are held, the plaintiff cannot be present and assert defenses without being subject to a claim of waiver of its defense that no written charter party calling for arbitration was executed or agreed to by the plaintiff.

SEVENTEENTH: If the defendant, Atlantic Tankers, Ltd., chooses its arbitrators and if the arbitration proceedings are conducted without the presence of the plaintiff, such action will result in irreparable injury, loss and damage to the plaintiff unless this Court issues an injunction enjoining the defendant, its agents, servants, employees and attorneys, from nominating its arbitrators and proceeding with the arbitration pursuant to said notice dated January 2, 1976.

WHEREFORE, plaintiff demands that the Court
adjudge

1. That plaintiff is not bound to arbitrate any disputes with defendants arising out of a charter party dated August 2, 1973 made between Foreign Energy Tankers, Inc. and St. Paul Marine Transport Corp.
2. That defendant, Atlantic Tankers, Ltd., is restrained from proceeding with the arbitration against plaintiff.
3. That plaintiff recover its costs.
4. That plaintiff have such other, further and different relief as to the Court may seem just and proper on the premises.

Dated: New York, New York
February 2, 1976

KIRLIN, CAMPBELL & KEATING
Attorneys for Plaintiff

By 

A Member of the Firm
120 Broadway
New York, New York 10005
(212) 732-5520

TO: HAIGHT, GARDNER, POOR & HAVENS
Attorneys for Defendants
One State Street Plaza
New York, New York 10004

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
:
COASTAL STATES GAS CORPORATION,
:
Plaintiff,
:
-against-
:
ATLANTIC TANKERS, LTD.
ATLANTIC TANKERS, LTD.-MONROVIA
and ST. PAUL MARINE TRANSPORT CORP.,
:
Defendants.
:
-----X

MOTION FOR
PRELIMINARY INJUNCTION

76 Civil 524
Wyatt, J.

S I R S :

PLEASE TAKE NOTICE, that upon the annexed affidavit of RICHARD H. SOMMER, sworn on the 5th day of February, 1976 and the pleadings and prior proceedings had herein, plaintiff will move this Honorable Court on the 20th day of February at 2:30 PM in room 2703 1976, for a preliminary injunction enjoining the defendants, Atlantic Tankers, Ltd., Atlantic Tankers, Ltd.-Monrovia and St. Paul Marine Transport Corp., their agents, servants, employees, attorneys and all persons in active concert and participation with them, pending the final hearing and determination of this action, from proceeding with the appointment of arbitrators and with the arbitration as set forth in a notice dated January 2, 1976 transmitted to six of plaintiff's officers by mail, on the grounds that:


- 1) Unless restrained by the Court, one or more of the defendants will perform the acts referred to;
- 2) Such action by one or more of the defendants will result in irreparable injury, loss and damage to the plaintiff, as more particularly appears in the complaint and the affidavit of

RICHARD H. SOMMER, attached hereto; and

3) The issuance of a preliminary injunction herein will not cause undue inconvenience or loss to the defendants but will prevent irreparable injury to the plaintiff.

Dated: New York, New York
February 5, 1976

KIRLIN, CAMPBELL & KEATING
Attorneys for Plaintiff

By 
A Member of the Firm
120 Broadway
New York, New York 10005
(212) 732-5520

TO: HAIGHT, GARDNER, POOR & HAVENS
Attorneys for Defendant
One State Street Plaza
New York, New York 10004

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
COASTAL STATES GAS CORPORATION, :

Plaintiff, :

- against - :

AFFIDAVIT

ATLANTIC TANKERS, LTD. :

ATLANTIC TANKERS, LTD. - MONROVIA, :

and ST. PAUL MARINE TRANSPORT CORP., :

Defendants. :

-----X
STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

RICHARD H. SOMMER, being duly sworn, deposes and
says:

1. I am an attorney at law admitted to practice
before this Honorable Court and a member of the firm of
Kirlin, Campbell & Keating, attorneys for plaintiff herein.

2. Kirlin, Campbell & Keating are counsel for
Foreign Energy Tankers, Inc., in the dispute arising out of a
charter party with defendants.

3. I make this affidavit in support of an
application for a preliminary injunction to restrain the
defendant, and their attorneys, Haight, Gardner, Poor & Havens,
Esqs., whose offices are at One State Street Plaza, New York,
New York from proceeding with the arbitration of disputes
under the provisions of a charter party between St. Paul Marine

Transport Corp., as owner or chartered owner and Foreign Energy Tankers, Inc., as charterer. Plaintiff Coastal States Gas Corporation is not a charterer.

4. By Addendum No. 1 to the charter party dated April 15, 1974, defendant, St. Paul Marine Transport Corp. transferred its rights, duties and obligations under said charter party to Union Carriers Corporation-Monrovia.

5. By Addendum No. 2 to said charter party dated August 25, 1975, all rights, duties and obligations under said charter party were assumed by defendant, Atlantic Tankers, Ltd.-Monrovia.

6. During the performance of said charter party, the chartered vessel, S/T ST. PETER suffered so many mechanical failures, breakdowns and malfunctions which required it to be placed on such lengthy periods of off-hire that it lost all commercial value.

7. Based on the above statements of fact, Foreign Energy Tankers, Inc., the charterer, repudiated said charter party as commercially frustrated and impracticable.

8. Defendants through their attorneys, Haight, Gardner, Poor & Havens served Foreign Energy Tankers, Inc., the charterer, with a notice of arbitration on November 16, 1975 in regard to this dispute. The parties to that arbitration, Foreign Energy Tankers, Inc. and Atlantic Tankers, Inc. have each nominated arbitrators who have in turn chosen a chairman. That arbitration is proceeding.

9. Notwithstanding the above described arbitration between Foreign Energy Tankers, Inc. and Atlantic Tankers, Inc., defendant Atlantic Tankers, Inc. has now demanded arbitration between plaintiff Coastal States Gas Corporation and itself.

10. The arbitration clause in the charter party between Foreign Energy Tankers, Inc. and St. Paul Marine Transport Corp., provides that if a party does not nominate its arbitrator within twenty (20) days of the receipt of notice of arbitration, then the arbitrators named by the defendant will name an arbitrator on behalf of the plaintiff and the two arbitrators so named will select a third arbitrator and proceed with the arbitration proceeding.

11. Since there is no charter party executed between these parties, Atlantic Tankers, Ltd., may not demand that Coastal States Gas Corporation submit to arbitration.

12. The sole basis for defendant, Atlantic Tankers, Ltd.'s demand for arbitration with Coastal States Gas Corporation is a so-called letter of guaranty executed on September 14, 1973 by Mr. H. D. Moore, Senior Vice President of Coastal States Gas Corporation.

13. This letter of guaranty is no longer binding or of force and effect amongst the parties. Plaintiff, Coastal Gas Corporation, has been released from all duties and obligations under its letter of guaranty dated September 14, 1973 by St. Paul Marine Transport Corp.'s unauthorized

transfer and assignment of the charter party to Union Carriers Corporation-Monrovia who in turn transferred and assigned it without authorization to Atlantic Tankers, Ltd.-Monrovia.

14. Defendants' attorneys have threatened to appoint an arbitrator on February 6, 1976 (see attached Exhibit "A").

15. Plaintiff denies that it is now bound by the above-mentioned guaranty, denies that it is liable for damages as claimed and denies that it is bound to arbitrate with defendant, Atlantic Tankers, Ltd., concerning the alleged charter party. However, in the event the arbitrators are chosen and the arbitration proceeds, it is likely that an award will be entered by default against plaintiff for the full amount of defendants' claim, causing substantial and irreparable damage to plaintiff. Therefore defendants should be enjoined from naming or appointing an arbitrator.

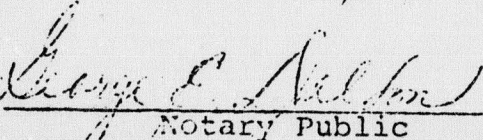
16. No previous application has been made for the relief sought herein to any other judge or court.

WHEREFORE, deponent prays for an order enjoining defendants from nominating arbitrators and from going forward with the arbitration.

Dated: New York, New York
February 5, 1976



Sworn to before me this
5th day of February, 1976


Notary Public

GEORGE E. NELSON
Notary Public, State of New York
No. 31-1187-2 Office: 111 W. 42nd St.
New York, N.Y. 10018

AND O'NEILL
 RAND D. ATWOOD
 S. M. ESTABROOK
 AND H. MAHLA
 T. C. MOORE
 DONALD DEMING
 DONATO, JR.
 WILLIAM J. JUNKERMAN
 DON W. PALSEN
 E. THURCHIS
 WILLIAM F. RAIN, JR.
 D. P. H. WATSON
 RICHARD G. ASHWORTH
 EDWARD L. JOHNSON
 RICHARD B. DARNETT
 MAURICE L. NOYER
 LANFORD C. MILLER
 CHARLES S. HAIGHT, JR.
 FRANCIS X. BYRN
 THOMAS R. H. HOWARTH
 STEPHEN K. CARR
 WALTER E. RUTHERFORD
 R. GLENN BAUER
 THEODORE M. SYSOL
 CARROLL E. DUBUC
 THOMAS F. MOLANPHY
 LENNARD K. RAMBUSCH
 JAMES J. SENTNER, JR.

HAIGHT, GARDNER, POOR & HAVENS

ONE STATE STREET PLAZA

NEW YORK, N.Y. 10004

TELEPHONE (212) 344-6300

CABLE: MOTOR NEW YORK
 RCA TELE: 222974
 WUI TELE: 670362
 WU TELE: 127683

January 29, 1976

WASHINGTON OFFICE
 FEDERAL BANC BUILDING
 1015 H STREET, N.W.
 WASHINGTON, D.C. 20006
 TELEPHONE (202) 737-7847
 CABLE: MOTOR WASHINGTON
 WASHINGTON WU TELE: 1492516
 RALPH E. CASEY
 CARROLL E. DUBUC
 RESIDENT PARTNERS, WASHINGTON

Messrs. Kirlin, Campbell & Keating
 120 Broadway
 New York, NY 10005

Att: Richard H. Sommer, Esq.

S/T ST. PETER - Charterparty dated
 August 2, 1973
 Your ref. 82543
 Our file 4824-1

Dear Sirs:

According to our file, the Owners' demand that Coastal States Gas Corporation arbitrate disputes in accordance with its guarantee was served upon officers of Coastal States on January 5, 1976.

Accordingly, the time of Coastal States Gas Corporation to appoint its arbitrator elapsed on January 25, 1976.

We agreed to your request that this time be extended for a few days. We must now advise, however, that unless Coastal States Gas Corporation appoints its arbitrator not later than Friday, February 6, 1976, we shall appoint an arbitrator on its behalf, in accordance with the terms of the charterparty.

Very truly yours,

HAIGHT, GARDNER, POOR & HAVENS

By

Charles S. Haight, Jr.

CSHjr:bm

Exhibit "A"

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

COASTAL STATES GAS CORP.,	:	
	:	
Plaintiff,	:	
	:	COMPLAINT
- against -	:	
	:	76 Civil 524
ATLANTIC TANKERS, LTD.	:	Wyatt, J.
ATLANTIC TANKERS, LTD. - MONROVIA	:	
ST. PAUL MARINE TRANSPORT CORP.,	:	
	:	
Defendants.	:	

-----X

Plaintiff, by its attorneys, Kirlin, Campbell & Keating, complaining of the defendants, alleges on information and belief as follows:

FIRST: This is a case of admiralty and maritime jurisdiction, (28USC 1333) as hereinafter more fully appears, and is an admiralty or maritime claim within the meaning of Rule 9(h) of the Federal Rules of Civil Procedure.

SECOND: Alternatively this Court has jurisdiction under 28USC 1332 in that the amount involved exceeds \$10,000., exclusive of interest and costs and plaintiff is a corporation organized in the State of Delaware with offices located at 5 Greenway Plaza East, Houston, Texas and all the defendants are alien corporations organized under the laws of the Republic of Liberia.

THIRD: St. Paul Marine Transport Corp., has an office and place of business c/o F. Scinicariello, Via Cristoforo Colombo 45, I 80133, Naples, Italy.

FOURTH: This is an action for a declaratory judgment pursuant to 28 USC 2201, for the purpose of determining a question of actual controversy between the parties, as hereinafter more fully appears.

FIFTH: Defendant, St. Paul Marine Transport Corp., was the owner or chartered owner of the vessel S/T ST. PETER on or about August 2, 1973.

SIXTH: Foreign Energy Tankers, Inc. and defendant, St. Paul Marine Transport Corp., entered into a charter party for the vessel S/T ST. PETER dated August 2, 1973.

SEVENTH: By letter dated September 14, 1973 from H.D. Moore, Senior Vice-President of Coastal States Gas Corp., to St. Paul Marine Transport Corp., c/o Boyd, Weir & Sewell, Inc., Coastal States Gas agreed that if Foreign Energy Tankers, Inc. defaulted on the herein described charter party it would assume and perform such duties and obligations.

EIGHTH: By Addendum No. 2 to said charter party dated August 25, 1975, defendant Atlantic Tankers, Ltd. - Monrovia became liable for the performance of owner's obligations.

NINTH: During the performance of said charter party, the vessel S/T ST. PETER encountered and sustained serious mechanical failures and breakdowns. These deficiencies impeded the vessel's performance so seriously that it was taken off-hire by its owners.

TENTH: The frequency and duration of off-hire periods become so egregious and lengthy that the vessel S/T ST. PETER became of no practical and commercial use or value to the plaintiff.

ELEVENTH: Based upon the foregoing statements of facts, Foreign Energy Tankers, Inc., cancelled the aforementioned charter party as commercially frustrated and impracticable.

TWELFTH: The defendant, Atlantic Tankers, Ltd., through its attorneys, Haight, Gardner, Poor & Havens, whose offices are located at One State Street Plaza, New York, New York, served Foreign Energy Tankers, Inc. with a notice of arbitration dated November 6, 1975 and both defendant and Foreign Energy Tankers, Inc. have appointed their arbitrators who have appointed a third arbitrator and are now proceeding to arbitration in New York.

THIRTEENTH: Notwithstanding the above mentioned demand for arbitration against Foreign Energy Tankers, Inc. and the subsequent appointment of arbitrators, defendant, Atlantic Tankers, Ltd., through its attorneys Haight, Gardner, Poor and Havens, has now demanded arbitration against Coastal States Gas Corp., by letter of January 2, 1976. This demand for arbitration of January 2, 1976 against this plaintiff is based solely upon the letter described in paragraph SEVENTH above.

FOURTEENTH: The arbitration clause in the charter party between Foreign Energy Tankers, Inc., and

St. Paul Marine Transport Corp., dated August 2, 1973 provides that if the plaintiff does not nominate its arbitrator within twenty (20) days of the receipt of notice of arbitration, then the arbitrator named by the defendant will name an arbitrator on behalf of the plaintiff, and the two arbitrators so named will select a third arbitrator, and proceed with the arbitration proceedings.

FIFTEENTH: The plaintiff alleges that since there is no charter party executed or made between these parties it cannot agree to arbitration. Defendant's sole basis for demanding arbitration against this plaintiff is the above mentioned letter of September 14, 1973. Plaintiff is not a party to the arbitration clause set forth in paragraph FOURTEENTH.

SIXTEENTH: If such arbitration proceedings are held, the plaintiff cannot be present and assert defenses without being subject to a claim of waiver of its defense that no written charter party calling for arbitration was executed or agreed to by the plaintiff.

SEVENTEENTH: If the defendant, Atlantic Tankers, Ltd., chooses its arbitrators and if the arbitration proceedings are conducted without the presence of the plaintiff, such action will result in irreparable injury, loss and damage to the plaintiff unless this Court issues an injunction enjoining the defendant, its agents, servants, employees and attorneys, from nominating its arbitrators and proceeding with the arbitration pursuant to said notice dated January 2, 1976.

WHEREFORE, plaintiff demands that the Court
adjudge

1. That plaintiff is not bound to arbitrate any disputes with defendants arising out of a charter party dated August 2, 1973 made between Foreign Energy Tankers, Inc. and St. Paul Marine Transport Corp.
2. That defendant, Atlantic Tankers, Ltd., is restrained from proceeding with the arbitration against plaintiff.
3. That plaintiff recover its costs.
4. That plaintiff have such other, further and different relief as to the Court may seem just and proper on the premises.

Dated: New York, New York
February 2, 1976

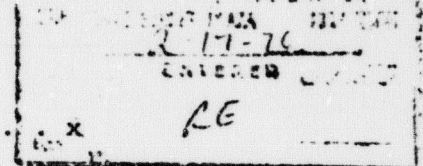
KIRLIN, CAMPBELL & KEATING
Attorneys for Plaintiff

By 

A Member of the Firm
120 Broadway
New York, New York 10005
(212) 732-5520

TO: HAIGHT, GARDNER, POOR & HAVENS
Attorneys for Defendants
One State Street Plaza
New York, New York 10004

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



COASTAL STATES GAS CORPORATION,

Plaintiff,

: 76 Civ. 524
: Wyatt, J.

-against-

ATLANTIC TANKERS, LTD.
ATLANTIC TANKERS, LTD.-MONROVIA
and ST. PAUL MARINE TRANSPORT CORP.,

: AFFIDAVIT IN
: OPPOSITION TO
: PLAINTIFF'S MOTION
: FOR PRELIMINARY
: INJUNCTION

Defendants.

STATE OF NEW YORK)
)SS.:
COUNTY OF NEW YORK)

CHARLES S. HAIGHT, JR., being duly sworn, deposes
and says:

1. I am a member of the firm of Haight, Gardner,
Poor & Havens, attorneys for defendant Atlantic Tankers, Ltd.-
Monrovia ("Atlantic"). I make this affidavit in opposition
to the motion of plaintiff Coastal States Gas Corporation
("Coastal") for a preliminary injunction which would prevent
Atlantic from arbitrating charterparty disputes with Coastal.

2. By the terms of a charterparty dated August 2,
1973, Foreign Energy Tankers, Inc. ("Foreign") agreed to
charter the m/v St. Peter, a vessel owned by St. Paul Marine
Transport Corp., for a period of three years one month more
or less at charterer's option. A copy of said charterparty,
together with the addenda referred to in paragraphs 6 and 9 of
this affidavit, is attached as Exhibit "A".

3. At the pertinent times Foreign was and now is a
second-tier subsidiary of Coastal. This is evidenced by
Schedule III to Coastal's Section 10-K statement for 1974,
and by data forming part of a Coastal loan application in 1970,
both on file with the Securities and Exchange Commission.

Copies of the pertinent pages are attached to this affidavit and marked Exhibit "B".

4. By letter agreement dated September 14, 1973, Coastal guaranteed the performance of its subsidiary, Foreign, under the August 2, 1973 charterparty of the St. Peter. A copy of the guaranty is attached as Exhibit "C". It is cast in broad and comprehensive terms. Coastal agreed, in the event of any default by Foreign, "to assume and perform such duties and obligations" under the charterparty.

5. The charterparty thus guaranteed by Coastal specifically contemplated future transfers of the vessel's ownership. Clause 45 provided:

"Owner shall not change ownership and/or flag of the Vessel without prior written approval of Charterer."

6. By Addendum No. 1 to the said charterparty, dated April 15, 1974, St. Paul Marine Transport Corp. transferred ownership of the vessel and all its rights, duties, and obligations under said charterparty to Union Carriers Corporation- Monrovia. This transfer was consented to by Foreign. All other terms of the charter remained unchanged, and Foreign's obligations as charterer were not altered.

7. By Addendum No. 2 to the said charterparty, dated August 25, 1975, Union Carriers Corporation - Monrovia transferred ownership of the vessel and all its rights, duties, and obligations under said charterparty to defendant herein, Atlantic. This transfer was also consented to by Foreign. All other terms of the charter remained unchanged, and Foreign's obligations as charterer were not altered.

8. Following execution of Addendum No. 2, referred to in the preceding paragraph of this affidavit, Foreign continued its use of the St. Peter under the charterparty, the vessel now being owned by Atlantic. However, in October, 1975 Foreign purported to cancel the charterparty, alleging such breaches of performance by the vessel as to bring about a frustration of the contract. Atlantic contends that Foreign's cancellation is unjustified, constitutes a breach of contract, and renders Foreign liable to Atlantic for damages.

9. Atlantic also contends that Foreign's unilateral cancellation of the charterparty constitutes a "default" by Foreign, within the meaning and intent of Coastal's guaranty (Exhibit "C" to this affidavit), as referred to in paragraph 4 above.

10. The charterparty contains an arbitration clause (Clause 55) which provides in pertinent part as follows:

"Any and all differences and disputes of whatsoever nature arising out of this Charter shall be put to arbitration in the City of NEW YORK, pursuant to the laws relating to arbitration there in force, before a board of three persons, consisting of one arbitrator to be appointed by Owner, one by Charterer and one by the two so chosen. The decision of any two of the three on any point or points shall be final."

11. Pursuant to that clause, Atlantic has demanded arbitration with Foreign. A panel of arbitrators has been appointed, but no hearings have as yet been scheduled or held. The third arbitrator was selected on January 28, 1976.

12. Pursuant to the guaranty, Atlantic has also given Coastal written notice of Foreign's default, and demanded that Coastal submit to arbitration with Atlantic.

That demand took the form of six identical registered letters, dated January 2, 1976, and addressed to officers of Coastal. A copy of one such letter is attached to this affidavit as Exhibit "D".

13. When Coastal did not appoint its arbitrator in response to Atlantic's demand, Atlantic took the position that it was entitled to appoint an arbitrator on Coastal's behalf, in accordance with the charterparty arbitrator clause quoted in paragraph 10 of this affidavit. Coastal then commenced this action for a preliminary injunction and declaratory judgment, alleging that Coastal is not required to arbitrate with Atlantic.

14. Coastal contends, first, that as guarantor it is not required to arbitrate with Atlantic. That is contrary to law. Atlantic's memorandum submitted herewith demonstrates (Point I, pp. 5-12) that Coastal's guaranty binds it by the charterparty's terms, including the arbitration clause. Coastal contends, second, that its guaranty does not run in favor of Atlantic, as transferee owner of the vessel and assignee of the charterparty, in the absence of Coastal's express written consent to the transfer. That is also contrary to law. Atlantic's memorandum (Point II, at pp. 13-20) demonstrates that Coastal's guaranty passes with the charterparty as an incident to it, a separate assent by Coastal not being required.

WHEREFORE, your deponent respectfully prays that this Court enter an order dismissing Coastal's motion and complaint, and directing Coastal to arbitrate the St. Peter charterparty disputes with Atlantic.

Sworn to before me
this 17th day of
February, 1976

George J. Bernesser
Notary Public

George J. Bernesser
GEORGE J. BERNESSE
Notary Public, State of New York
No. 316416775
Qualified in New York County
Commission Expires March 30, 1976

Boyd, Weir & Lowell



INCORPORATED
Steamship Agents and Ship Brokers
17 Battery Place
New York, N.Y. 10004

August 25, 1975

ADDENDUM NO. 2

Liberian M/T "ST. PETER"

Referring to the Charterparty of this Vessel dated New York, N. Y.,
2nd August 1973 and Addendum No. 1 thereto dated New York, N. Y. 15th
April 1974 between UNION CARRIERS CORPORATION - MONROVIA, Owner and
FOREIGN ENERGY TRADERS, INC., Charterer, it is hereby mutually agreed
that:

a.) The Vessel has been transferred by UNION CARRIERS CORPORATION - MONROVIA, Liberia to ATLANTIC TANKER LTD. - MONROVIA who will take title in Los Angeles upon completion of discharge of a cargo with which Vessel is expected to arrive about August 29, 1975.

b.) ATLANTIC TANKER LTD. - MONROVIA, hereby assumes and agrees to be liable for the faithful performance of the obligations of Owner under the charterparty from the time that title is transferred to them as fully and with the same force and effect as if ATLANTIC TANKER LTD. - MONROVIA had originally been named in the charterparty as Owner of the Vessel.

c.) FOREIGN ENERGY TRADERS, INC., consents to the foregoing and hereby discharges and releases UNION CARRIERS CORPORATION - MONROVIA, from any obligations arising under this charterparty from the time of the transfer of title but UNION CARRIERS CORPORATION - MONROVIA is to continue to be responsible for any obligations incurred during the period of the charterparty prior to the time of the transfer of title.

All other terms, conditions and exceptions of the charterparty and Addendum No. 1 thereto to remain unchanged.

Witness to the signature of

UNION CARRIERS CORPORATION - MONROVIA

Witness to the signature of

ATLANTIC TANKER LTD. - MONROVIA

Witness to the signature of

FOREIGN ENERGY TRADERS, INC.

Exhibit "A"

Boyd, Weir & Lowell

Steamship Agents and Ship Brokers

111 Wall Street

New York, N.Y. 10038



April 15, 1974

ADDENDUM NO. 1

Liberian "T" "ST. PETER"

Referring to the charterparty of this Vessel dated New York, N. Y., 2nd August 1973 between SAINT PAUL MARINE TRANSPORT CORP. of Monrovia, Liberia, Owner and FOREIGN ENERGY TANKERS, INC., Charterer, it is hereby mutually agreed that:

- A.) The Vessel has been transferred by SAINT PAUL MARINE TRANSPORT CORP. of Monrovia, Liberia to UNION CARRIERS CORPORATION - MONROVIA who will take title at Los Angeles about April 17/20, 1974. The name and registry of the Vessel will not be changed.
- B.) UNION CARRIERS CORPORATION - MONROVIA, hereby assumes and agrees to be liable for the faithful performance of the obligations of Owner under the charterparty from the time that title is transferred to them as fully and with the same force and effect as if UNION CARRIERS CORP. - MONROVIA had originally been named in the charterparty as Owner of the Vessel.
- C.) FOREIGN ENERGY TANKERS, INC., consents to the foregoing and hereby discharges and releases SAINT PAUL MARINE TRANSPORT CORP., of Monrovia from any obligations arising under this charterparty from the time of the transfer of title but SAINT PAUL MARINE TRANSPORT CORP. of Monrovia is to continue to be responsible for any obligations incurred during the period of the charterparty prior to the time of the transfer of title.

All other terms, conditions and exceptions of the charterparty to remain unchanged.

Witness to the signature of

[Signature]

UNION CARRIERS CORPORATION - MONROVIA

[Signature]

Witness to the signature of

[Signature]

SAINT PAUL MARINE TRANSPORT CORP. OF MONROVIA

[Signature]

Witness to the signature of

C.E. Neubauer

FOREIGN ENERGY TANKERS, INC.

[Signature]

BEST COPY AVAILABLE



CODE WORD FOR THIS CHARTER PARTY:

"TEXACOTIME 2"

(December, 1971)

TANKER TIME CHARTER PARTY

New York August 2 1973

DESCRIPTION
OF VESSEL
AND
PERFORMANCE

IT IS THIS DAY AGREED between SAINT PAUL MARINE TRANSPORT CORP.
 of Monrovia, Liberia (hereinafter referred to as "Owner"), being
 Owner of the good Liberian Tank Vessel called "ST. PETER"
 (hereinafter referred to as "the Vessel") described as per Clause 1 hereof and FOREIGN ENERGY
TANKERS, INC. of Liberia
 (hereinafter referred to as "Charterer").

1. Owner guarantees that at the date of delivery of the Vessel under this Charter:

(a) she shall be classed Highest American Bureau(b) she shall carry 34 730 tons (of 2,240 lbs.) total deadweight of cargo,

bunkers, water and stores on assigned summer mean draft of 35ft. 10 in. in salt water;
 that her loadline is marked and that the Vessel has a total capacity for bulk cargo, after
 deduction of 2% for expansion of 1501300 cubic feet in cargo tanks, exclusive of
 permanent bunkers, which have a capacity, after deduction of 2% for expansion, of
2250 tons (of 40 cubic feet) oil fuel.

(c) she shall be in every way fitted for burning marine diesel oil or fuel oil with a maximum viscosity of 1500 seconds Redwood 1 at 100 degrees F. in main motors and any commercial grade of fuel oil under boilers;(d) she shall be fully coiled and capable at all times of heating, maintaining and discharging cargo at a temperature of at least 135° F. at a sea temperature of 40° throughout the entire voyage;(e) she shall be equipped with 4 main cargo pumps and 2 stripping pumps capable of maintaining an aggregate discharge throughput of 1500 U.S. barrels and 1500 U.S. barrels water, respectively per hour with a pressure at the Vessel's manifold (ship's rail) not exceeding 100 lbs. per square inch, and(f) Owner guarantees that the Vessel shall be capable on delivery of maintaining and shall maintain throughout the period of this Charter Party on all sea passages from Seabuooy to Seabuooy a guaranteed average speed loaded and light (including those particular stops at sea which are not counted as periods of off-hire under the terms of this Charter Party) under weather conditions of 14.25 knots on a guaranteed daily consumption of 40 tons (of 2,240 lbs.) fuel oil and 1 1/2 tons diesel per day for all purposes excluding cargo heating and tank cleaning.

Should the Owner during any twelve consecutive months of the period of service under this Charter fail to comply in any respect with its obligations under this Clause, Charterer shall be entitled to recover hire paid during such twelve consecutive months (by deduction from next hire payment or otherwise) in proportion to the extent of such failure, without prejudice to any claim Charterer may otherwise have on Owner under this Charter. See Clause 13.

Owner to have similar privileges under this Clause for receiving compensation as Charterers do should Vessel performance as concerns speed be in excess, or consumption for propulsion be below the descriptions outlined herein.

In the event of Charterer having a claim in respect of Vessel's performance during the final year or part of the Charter period and any extension thereof as specified in Clause 3 hereof the amount of such claim shall be withheld from Hire Payment in accordance with Charterer's estimate made about two months before the end of the Charter period and any necessary adjustment after the end of the Charter shall be made by payment by the Owner to the Charterer or the Charterer to the Owner as the case may require.

Should any conflict arise between the particulars set out in the attached Form A and any provision (including this clause) of this Charter, the provision of this charter shall prevail.

discharging a full cargo within 30 hours or of maintaining a pressure of 90 PSI at Vessel's rail.

moderate weather which is defined as up to and including Beaufort Scale 5

Having a maximum viscosity of 1500" on Redwood Scale No. 1 at 100° F.

CONDITION
OF VESSEL

2. Owner shall, before, at the date of delivery and throughout the period of service under this Charter, exercise due diligence to make and maintain the Vessel

(a) in every way fit to carry crude petroleum and/or its products; and

(b) tight, staunch, strong, in good order and condition, in every way fit for the service, with her machinery, boilers, pipelines, pumps, heating coils and hull in such a state as to obtain the most economic working and with a full and efficient complement of Master, Officers and crew for a Vessel of her tonnage.

Owner undertakes that throughout the period of service under this Charter it will, whenever the passage of time, wear and tear or any event (whether coming within Clause 41 hereof or not) requires steps to be taken to maintain the Vessel as stipulated in Clause 1 hereof and in this Clause or to restore the Vessel to such condition, exercise due diligence to maintain or restore the Vessel as aforesaid, and that at its expense will comply with the regulations in force as existing and amended from time to time so as to enable the Vessel to pass through the Suez and Panama Canals by day and night without delay, loaded or unloaded, where the size of the Vessel so permits.

PERIOD AND TRADING LIMITS	3. or hereby lets, and Charterer hereby hires the Vessel for the term of Three years one month more or less/	nt. Charterer's option	63
Grades within Vessel's natural segregation of crude oil and/or dirty petroleum products not requiring heat in excess of 135° F.	Charter for a further period of	the Vessel from described for the term of Charterer having the option of continuing the by giving Owner	64 65
SAFE BERTH	hire to commence when written notice from the Master has been given to Charterer or its Agent during daylight office hours that the Vessel is at its disposal in such ready accessible dock, wharf or place where she can always safely lie afloat, the Vessel being then in all respects ready to receive cargo with holds and cargo tanks, pipes and pumps clear and clean to Charterer's Inspector's satisfaction and in every way fitted for the service and the carriage of up to two	at Charterer's option, after having been dry-docked and painted	66 67 68 69 70 71
DELIVERY AND REDELIVERY	to be employed in any part of the world trading between safe ports in such lawful trades as Charterer or its Agents may direct, subject to Institute Warranties and Clauses as per copy attached hereto. Charterer shall be allowed to breach Institute Warranties upon payment by Charterer of any additional insurance premium required by the Vessel's Underwriters for such breach.	Charterer shall exercise due diligence to ensure that the Vessel is only employed between and at safe ports, places, berths, docks, anchorages and submarine lines where she can always lie safely afloat, but notwithstanding anything contained in this or any other clause of this Charter, Charterer shall not be deemed to warrant the safety of any port, place, berth, dock, anchorage or submarine line and shall be under no liability in respect thereof except for loss or damage caused by its failure to exercise due diligence as aforesaid. Subject as above, the Vessel shall be loaded and discharged in any dock or at any wharf or place or anchorage or submarine line or alongside lighters or other vessels as Charterer may direct where the Vessel can always safely lie afloat or at any safe tidal berth where the Vessel may have to lie aground as usual and customary for vessels of like tonnage and draft.	72 73 74 75 76 77 78 79 80 81 82 83 84 85
or Gulf of Pacific Coasts of the United States or in the Caribbean Sea or in the United Kingdom or on the Continent.	4. The Vessel shall be delivered by Owner at a safe port on the Atlantic	a safe port on the Atlantic	86
RATE OF HIRE	at Charterer's option and redelivered to Owner at a safe port in the Atlantic	a safe port in the Atlantic	87
PAYMENT OF HIRE	Hours of delivery and redelivery are to be adjusted to Greenwich Meridian Time and payment of hire is to be based on the same time.		88 89 90
oyd, Weir & Sewell, Inc. or cable remittance to Banca della Svizzera Italiana, Lugano, Account Masano 12478"	5. The Vessel shall not be delivered to Charterer, and hire shall not commence before 5th	5th	91
INCREMENT	cancel this Charter should Vessel not be ready and at its disposal on or before 30th	30th	92
OFF-HIRE	September 1973 with said liberty to cancel to continue day by day until and through the actual time of the Vessel's tender of notice of readiness. If the Vessel is a Newbuilding it will be delivered to the Charterer within the laydays, immediately upon completion of the Vessel by the builder and delivery to and registry by the Owner, with Charterer having the option to take delivery of the Vessel under this Charter if completed before the commencement of laydays. It is understood that the Vessel will deliver immediately upon completion of		93
	6. Subject as herein provided Charterer shall pay for the use and hire of the Vessel while on hire	at the rate of \$6.20	94
	per ton on the Vessel's total deadweight, as per	per ton on the Vessel's total deadweight, as per	95
	Clause 1, per calendar month, commencing at and from the time and date of her delivery as aforesaid, and pro rata for any part of a month, and continuing until the time and date of her redelivery to Owner.		96
	7. Payment of the said hire shall be made by check monthly in advance in U.S. currency at	U.S. currency at	97
	New York to less any amounts disbursed on Owner's behalf and less any	less any amounts disbursed on Owner's behalf and less any	98
	hire paid or expenses incurred by Charterer as may reasonably be estimated by Charterer to relate to off-hire periods, and less any amounts due or estimated to become due to Charterer under the terms	hire paid or expenses incurred by Charterer as may reasonably be estimated by Charterer to relate to off-hire periods, and less any amounts due or estimated to become due to Charterer under the terms	99
	of Clause 1 hereof, and any amounts disbursed by Charterer such as any disbursements by Charterer or affiliates of Charterer, advances, monies owing by Owner to Charterer or affiliates of Charterer, but not	of Clause 1 hereof, and any amounts disbursed by Charterer such as any disbursements by Charterer or affiliates of Charterer, advances, monies owing by Owner to Charterer or affiliates of Charterer, but not	100
	limited to the Vessel under this Charter and to include but not limited to include bunkers, agency fees, etc. any adjustment to be made at the due date for the next monthly payment after the facts have been	limited to the Vessel under this Charter and to include but not limited to include bunkers, agency fees, etc. any adjustment to be made at the due date for the next monthly payment after the facts have been	101
	ascertained. In default of punctual and regular payment as herein specified, the Owner will notify the Charterer whereupon the Charterer shall make payment of the amount due without interest within ten	ascertained. In default of punctual and regular payment as herein specified, the Owner will notify the Charterer whereupon the Charterer shall make payment of the amount due without interest within ten	102
	(10) days of receipt of notification from the Owner, failing which the Owner will have the right to withdraw the Vessel from the service of the Charterer, without prejudice to any claim the Owner may otherwise have on the Charterer under this Charter.	(10) days of receipt of notification from the Owner, failing which the Owner will have the right to withdraw the Vessel from the service of the Charterer, without prejudice to any claim the Owner may otherwise have on the Charterer under this Charter.	103
	8. It is agreed that while the Vessel is on hire Charterer shall pay a lump sum increment of	per month to cover in full the cost of the following:	104
	\$ 1300.00	per month to cover in full the cost of the following:	105
	(a) Expenses and cost of extra victualling incurred by the Master on Charterer's account.	(a) Expenses and cost of extra victualling incurred by the Master on Charterer's account.	106
	(b) Cost for all telephone calls, wireless telegraphy messages and telegrams sent for Charterer's account.	(b) Cost for all telephone calls, wireless telegraphy messages and telegrams sent for Charterer's account.	107
	(c) Cost of all overtime worked on behalf of Charterer or its Agents. In this connection the Master shall prosecute his voyages with the utmost dispatch and shall render all reasonable	(c) Cost of all overtime worked on behalf of Charterer or its Agents. In this connection the Master shall prosecute his voyages with the utmost dispatch and shall render all reasonable	108
	assistance with the Vessel's crew and equipment, overtime of officers and crew to be worked at request of Charterer or its Agents.	assistance with the Vessel's crew and equipment, overtime of officers and crew to be worked at request of Charterer or its Agents.	109
	(d) Less Owner's payment for galley and crew fuel for heating quarters.	(d) Less Owner's payment for galley and crew fuel for heating quarters.	110
	9. In addition to any recovery of hire allowed pursuant to Clause 1, in the event of loss of time,	9. In addition to any recovery of hire allowed pursuant to Clause 1, in the event of loss of time,	111
	(a) continuing for more than 24 hours, due to deficiency of personnel or stores, repairs, breakdown (whether partial or otherwise) of machinery or boilers, interference of authorities, collision or stranding or fire or accident or damage to the Vessel or any other cause preventing	(a) continuing for more than 24 hours, due to deficiency of personnel or stores, repairs, breakdown (whether partial or otherwise) of machinery or boilers, interference of authorities, collision or stranding or fire or accident or damage to the Vessel or any other cause preventing	112
	the efficient working of the Vessel; or	the efficient working of the Vessel; or	113
	(b) whether or not continuing for 24 hours,	(b) whether or not continuing for 24 hours,	114
	(i) due to strikes, refusal to sail, breach of orders or neglect of duty on the part of Master, Officers or crew; or	(i) due to strikes, refusal to sail, breach of orders or neglect of duty on the part of Master, Officers or crew; or	115
	(ii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a passenger carried under Clause 33 hereof) or for the purpose of landing the body of any person (other than such a passenger) or while saving or attempting to save life or property or going to the aid of a vessel in distress, voluntarily or otherwise,	(ii) for the purpose of obtaining medical advice or treatment for or landing any sick or injured person (other than a passenger carried under Clause 33 hereof) or for the purpose of landing the body of any person (other than such a passenger) or while saving or attempting to save life or property or going to the aid of a vessel in distress, voluntarily or otherwise,	116

Special, any war areas, continuing for East Trading, and Egypt unless Egypt and Libya unite.

or Gulf Coast of the United State

a cargo carried under a charter party dated August 1, 1973 for a voyage Persian Gulf/West.

hire shall cease to be due or payable from the commencement of such loss of time until the Vessel is again ready and in an efficient state to resume her service from a position not less favorable to Charterer than that at which such loss of time commenced.

Any delay by or time spent in quarantine shall be for Charterer's account, except delay in quarantine resulting from the Master, Officers or crew having communications with the shore at an infected port where the Charterer has given the Master adequate notice of the infection, which shall be for Owner's account, as shall also be any loss of time through detention by authorities as a result of charges of smuggling or of other infraction of law by the Master, Officers or crew.

Further and without prejudice to the foregoing, in the event of the Vessel deviating (which expression includes putting back, or putting into any port other than that to which she is bound under the instructions of Charterer) for any cause or for any purpose previously mentioned in this clause, no hire shall in any case be payable as from the commencement of such deviation until the time when the Vessel is again ready and in an efficient state to resume her service from a position not less favorable to Charterer than that at which the deviation commenced.

In the event of the Vessel, for any cause or for any purpose previously mentioned in this clause, putting into any port other than the port to which she is bound on the instructions of Charterer, the port charges, pilotage and other expenses at such port shall be borne by Owner. Should the Vessel be driven into port or any anchorage by stress of weather, hire shall continue to be due and payable during any loss of time caused thereby.

In the event of detention of the Vessel by authorities at home or abroad in consequence of legal action against Vessel or Owner (unless brought about by the act or neglect of Charterer), whereby the Vessel is rendered unavailable for Charterer's service, the Vessel shall be off-hire until the service can again be resumed. Should such detention render the Vessel unavailable for Charterer's service for a period of 30 days, Charterer, by written notice, shall have the election to cancel this Charter or to suspend same until the service can again be resumed, without prejudice to any right of claim for damage which Charterer may have in the premises.

If the nation to which the Vessel belongs becomes engaged in hostilities, hire and all other charges shall cease during the continuance of such hostilities if Charterer in consequence of such hostilities finds it impossible to employ the Vessel, and in that event Owner shall have the right to employ the Vessel on its own account.

It is understood that the cost of fuel and water consumed while the Vessel is off-hire hereunder, as well as all port charges, pilotage and other expenses incurred during such period, shall be borne by Owner.

Any lost time during which the Vessel is off-hire as provided in this clause and any lost time for which hire is recoverable under Clause 1 shall count as part of the Charter period.

ADJUSTMENT OF HIRE

10. (a) If at any time during the term of this Charter (once or oftener) it is found that the Vessel has failed to maintain as an average during the preceding 12 calendar months period the speed and/or consumption warranted in Clause 1(i), the Charterer shall be compensated in respect of such failure (i) by Owner repaying to Charterer as calculated in accordance with Attachment 1—"Performance Calculations," at the rate of \$ 294.96 per hour or pro rata for each part of an hour for speed deficiency; and/or (ii) by Owner paying to Charterer for the excess consumption of oil at the posted price at Bahrain for the particular grade of oil during the said period, provided that the Vessel's actual average speed is less than the warranted speed.

(b) With respect to Clause 1(ii), the Owner warrants that the Vessel is capable of maintaining a discharge throughput with a pressure at Vessel's manifold (ship's rail) of lbs. per square inch at the following rates:

CARGO

Light Petroleum (viscosity less than 320 SSU at 100°F)	barrels/hour	185
Medium Petroleum (viscosity of 320 to 3200 SSU at 100°F)	barrels/hour	186
Heavy Petroleum (viscosity above 3200 SSU at 100°F)	barrels/hour	187

specified in Clause 1 (c)

Should the Vessel fail on any occasion to maintain as an average the warranted rate of discharge throughout as aforesaid, the Owner will compensate Charterer for the excess of discharge time, provided that such delay has not been caused by shore conditions, at the rate of \$ 294.96 per hour for each hour or pro rata for part of an hour of the said excess of discharge time.

FINAL VOYAGE

11. Should the Vessel be on her voyage towards the port of redelivery at the time a payment of hire is due, payment of hire shall be made for such length of time as Owner and Charterer may agree upon as being the estimated time necessary to complete the voyage, less any disbursements made or expected to be made or expenses incurred or expected to be incurred by Charterer for Owner's account less any amounts that Charterer otherwise may be permitted to withhold or deduct under the terms of this Charter, and less the estimated value of bunker fuel remaining at the termination of the voyage; and when the Vessel is redelivered, any overpayment shall be refunded by Owner or underpayment paid by Charterer. Notwithstanding the provisions of Clause 3 hereof, should the Vessel be upon a voyage at expiry of the period of this charter, Charterer shall have the use of the Vessel at the same rate and conditions for such extended time as may be necessary for the completion of the round voyage on which she is engaged until her return to a port of redelivery as provided by this Charter.

EXTENSION OF CHARTER

12. The time the Vessel is off-hire during the original term of this Charter or any extension thereof, pursuant to the provisions of this Charter, shall be added to the original term or the extension during which the time off occurs, if Charterer so elects and gives Owner written notice of such election at least 30 days prior to expiry of the original term or extension during which the time off occurs.

LOSS OF VESSEL

13. Should the Vessel be lost or become a constructive total loss, hire shall cease at noon on the day of her loss or constructive total loss and, if missing, at noon on the date when last heard of; and any hire paid in advance and not earned shall be returned to Charterer. If the Vessel is missing or off-hire at the time when hire becomes payable, payment of said hire shall be suspended until safety is ascertained or the off-hire period ceases.

LIENS

14. Owner shall have an absolute lien on all cargoes and subfreights for any amounts due under this charter, and Charterer shall have a lien on the Vessel for all monies paid in advance and not earned, and for the value of fuel in bunkers, and for all claims for damages arising from any breach by Owner of this Charter.

ADVANCES

~~15. Owner, upon commencement of this Charter, shall establish a revolving fund with Charterer~~ 219
 replenished monthly or as required, in the amount of ~~such revolving fund~~ 220
 shall be used by Charterer to reimburse it or its Agents for any monies advanced to the Master or 221
 Owner's Agents, or in payment of disbursements made for Owner's account. Upon termination of this 222
 Charter, the amount remaining in said fund, after any disbursements by Charterer and advances made 223
 by it to Master or Owner's Agents, and deduction of any other sums owing by Owner to Charterer, shall 224
 be returned to Owner. 225

SPACE AVAILABLE TO CHARTERER

16. The whole reach, burthen and decks of the Vessel and its passenger accommodation (which 226
 shall be deemed to include Owner's suite), if any, shall be at Charterer's disposal, reserving only proper 227
 and sufficient space for the Vessel's Master, Officers, crew, tackle, apparel, furniture, provisions and 228
 stores, provided that the weight of stores on board shall not, unless specifically agreed, exceed 150 229
 tons at any one time during the period of the Charter. The Vessel shall load and discharge cargo as 230
 rapidly as possible by night as well as by day when required by Charterer or its Agents to do so. 231
 Charterer may consent with the safety of the Vessel remove any stanchions and ladders, which shall, 232
 if required, be replaced by Charterer before redelivery at its own expense and to the satisfaction of 233
 Owner's surveyor. 234

STOWAGE

~~17. Charterer shall have the option of shipping lawful merchandise in cases and/or casks and/or 235
 other packages in the Vessel's hold, on deck and/or other suitable space available. 236~~

OWNER TO PROVIDE

18. Owner shall provide and pay for all provisions, deck and engine room stores, galley and cabin 237
 stores; insurance on the Vessel; wages of the Master, Officers and crew; consular and agency fees 238
 pertaining to the Vessel, Master, Officers and crew; all fumigation expenses and deratization exemp- 239
 tion certificates; all fresh water used by the Vessel. 240

CHARTERER TO PROVIDE

19. Charterer (except during the period when the Vessel is off-hire) shall provide and pay for all 241
 fuel except for galley and crew, as provided in Clause 8, and all boiler water if the Vessel is a steamer. 242
 Charterer shall also pay for all port charges, light dues, dock dues, Panama and other canal dues, 243
 pilotage, consular and agency fees, except those pertaining to the Vessel, Master, Officers and crew, 244
 tugs necessary for assisting the Vessel in, about and out of port for the purpose of carrying out this 245
 charter, agencies pertaining to the cargo, commissions, expenses of loading and unloading cargoes, and 246
 all other charges whatsoever except those herein stated as payable by Owner. Owner shall reimburse 247
 Charterer for any fuel used or any expenses incurred in making a general average sacrifice or expenditure. 248

DUTIES OF MASTER

20. The Master shall prosecute his voyages with the utmost dispatch and shall render all 249
 reasonable assistance with the Vessel's Officers and crew and equipment. 250

INSTRUCTIONS AND LOGS

21. The Master shall be furnished by Charterer, from time to time, with all requisite instructions 251
 and sailing directions, and both he and the Engineers shall keep full and correct logs of the voyages, 252
 which are to be patent to Charterer and its Agents, and abstracts of which are to be sent to Charterer 253
 from each port of call. 254

CONDUCT OF VESSEL'S PERSONNEL

22. If Charterer shall complain of the conduct of the Master or any of the Officers, Owner and 255
 Charterer jointly shall immediately investigate the complaint, and if the complaint proves to be well 256
 founded, Owner shall, without delay, make a change in the appointments. 257

BILLS OF LADING

23. The Master (although appointed by Owner) shall be under the orders and direction of 258
 Charterer as regards employment of the Vessel, agency or other arrangements. Bills of Lading are to be 259
 signed at any rate of freight Charterer or its Agents may direct, without prejudice to this Charter, the 260
 Master attending as necessary at the offices of Charterer or its Agents to do so. Charterer hereby 261
 indemnifies Owner against all consequences or liabilities that may arise from the Master, Charterer or 262
 its Agents signing Bills of Lading or other documents, or from the Master otherwise complying with 263
 Charterer or its Agents' orders, as well as from any irregularities in papers supplied by Charterer or its 264
 Agents. The said indemnity shall not extend to any consequences or liabilities or apply to any loss or 265
 damage arising from orders to proceed to, enter, remain in or at, depart from or shift berth in or at any 266
 port, place, berth, dock, anchorage or submarine line, other than consequences or liabilities or loss or 267
 damage resulting from or caused by failure to exercise due diligence as required by Clause 3 hereof. 268

BUNKERS AT DELIVERY AND REDELIVERY

24. Charterer shall accept and pay for all bunker oil, and boiler water (if Vessel is a steamer) on 269
 board at the time of delivery, and Owner shall, on the expiry of this Charter, pay for all bunker oil, and 270
 boiler water (if Vessel is a steamer) then remaining on board at current market prices at the respective 271
 ports. Owner shall give Charterer the use and benefit of any fuel contracts it may have in force, at home 272
 and/or abroad if so required by Charterer, provided suppliers agree. 273
 Maximum bunker fuel oil on delivery and redelivery to be sufficient for Vessel's needs to reach 274
 next loading port plus spares as required by Charterer and Owner, respectively. 275

GRADE OF BUNKERS

1500

25. Charterer has the option of supplying for use in the main motors ~~marine diesel oil or fuel oil~~ 276
 with a maximum viscosity of ~~250~~ seconds Redwood 1 at 100 degrees F. ~~and for use under the boilers~~ 277
~~any other kind of fuel oil.~~ If Owner requires the Vessel to be supplied with more expensive 278
 bunkers, Owner shall be liable for the extra cost thereof. 279

DRYDOCKING

26. Owner agrees to drydock and paint the Vessel's bottom about every nine but not more than 280
 twelve months, and, when due, Charterer agrees to send the Vessel to a port designated by Owner where 281
 she can be cleared of oil and gas and be drydocked and painted. In such event Owner shall always be 282
 solely responsible for clearing the Vessel of oil and gas and the expense and time thereof. Incidental 283
 towages, pilotages, fuel, water and all other expenses of drydocking and painting, including additional 284
 expense of barging bunkers shall be for Owner's account. In case of drydocking pursuant to this clause 285
 at a port where the Vessel loads, discharges or bunkers under Charterer's orders, hire shall be suspended 286
 from the time Vessel receives free pratique on arrival, if in ballast, or on completion of discharge of 287
 cargo, if she arrives loaded, until Vessel is again ready for service. Owner agrees that he will not 288
 schedule Vessel for annual drydocking between October 1 and April 30. ~~Except in case of~~ 289
 In case of drydocking, whether for painting the Vessel's bottom and/or repairs, at a port designated 290

EMERGENCY

NEGLIGENCE OF PILOTS, ETC.

by Owner or than where the Vessel loads, discharges or bunkers on Charterer's orders, hire shall be suspended from the time the Vessel departs from the route now by taken to Charterer's next loading port until the time when the Vessel returns to the same or equivalent position, and all port charges incurred and fuel and water consumed between these times are to be for Owner's account, including agency fee, Owner having the privilege of appointing its own agent at such port. It is understood that the designation of the drydocking port, whether for bottom painting and/or repairs is Owner's responsibility.

All drydocking shall be at Owner's expense. Time spent by the Vessel in and waiting her turn to enter drydock shall, irrespective of duration, count as off-hire.

27. Neither Charterer, nor any of its associated or affiliated companies, nor any of the employees, servants, representatives and agents of any of the foregoing, shall be responsible for any losses, damages, delays or liabilities arising from any negligence, incompetence or incapacity of any pilot, stevedore, longshoreman or the personnel of any tug or tugs or arising from the terms of the contract of employment thereof and of any tug or tugs, launches or other crafts, which terms Owner hereby agrees to accept and be bound by, or arising from any unseaworthiness or any insufficiency of any tug or tugs, launches or any other craft the service for which are arranged by Charterer; and Owner agrees to indemnify and hold Charterer harmless against any and all such losses, damages, delays or liabilities but such indemnity shall not exceed the amount to which Owner would have been entitled to limit its liability if Owner had itself arranged for such pilots, stevedores, longshoremen, tug personnel, tug or tugs, launches or other craft. When any licensed pilot, captain or other officer (whether or not said person is an employee, servant or representative of Charterers or its agents or of any of its associated or affiliated companies or of their agents) of a tug furnished to or engaged in the service of supplying tug power or assistance to a vessel making use of or having available her own propelling power goes on board said vessel, or any other licensed pilot goes on board said vessel, it is understood and agreed that such person or persons are to be considered independent contractors and become the borrowed servant of the Owner and the vessel for all purposes and in every respect and shall be subject to the exclusive supervision and control of the vessel and her personnel, and neither Charterer nor those providing the tug or tugs nor owners, agents or charterers shall be under any liability for errors of navigation, management of the vessel or other losses, damages, delays and liabilities resulting therefrom. This shall include, but not to be limited to the giving of orders to any tug or tugs engaged in assisting Vessel and in respect to the handling of the Vessel and to the order of the number and horsepower of tugs assisting or standing by the Vessel. In respect to the foregoing, Owner hereby agrees to indemnify and hold harmless Charterer (or any of its associated or affiliated companies or its agents or the employees, servants or representatives of the foregoing in the event that said licensed pilot, captain or other officer is employed by such company) from any and all losses, damages, delays and liabilities whatsoever whether to third parties or otherwise, arising from the acts or omissions of such person or persons.

TUGBOATS

28. Charterer shall have the option of using its own tugs or those owned by parent, subsidiary or affiliate companies in the docking, undocking, or assisting in other ways, of the Vessel covered by this charter. In this event the terms and conditions for such services prevailing in the port where such services are rendered, and used by independent tugboat owners, as well as pilotage provisions under Clause 27 above, shall be applicable and Charterer and its subsidiaries or affiliates shall be entitled to all the exemptions from and limitation of liability applicable to said independent tugboat owners and their published terms and conditions and to the aforementioned pilotage provisions under Clause 27 above.

EQUIPMENT

29. Charterer, subject to Owner's approval, shall be at liberty to fit any additional pumps and/or gear for loading or discharging cargo it may require beyond what is on board at the commencement of the Charter, and to make the necessary connections with steam or water pipes, such work to be done at its expense, and such pumps and/or gear so fitted to be considered its property, and Charterer shall be at liberty to remove it at its expense and time during or at the expiry of this Charter; the Vessel to be left in her original condition to Owner's satisfaction.

PREVIOUS CARGOES

30. The last two successive cargoes carried, or to be carried, by the Vessel immediately preceding her entering upon this Charter consisted, or will consist of **dirty petroleum products**

CONDITIONS OF TANKS

31. Charterer will redeliver Vessel to Owner at the expiry of this Charter with tanks in condition suitable for the carriage of the cargo defined in Clause 3 of this Charter. If under Clause 3 Charterer has the option for clean and/or dark oil trading then cargo tanks on redelivery may be clean or dirty at Charterer's option. In no event shall Charterer be obligated to redeliver Vessel gasfree.

TANKS, ETC.

32. Owner guarantees that the tanks, valves and pipelines are oil-tight at the commencement of this Charter, and Owner binds itself to take every possible precaution to maintain the tanks, valves and pipelines in this condition during the charter period.

PASSENGERS

33. Charterer may send passengers in the Vessel's available accommodation upon any voyage made under this Charter, Owner finding provisions and all requisites as supplied to officers, Charterer paying at the rate of \$5.00 per day for each passenger while on board the Vessel.

SUBLET

34. Charterer shall have the option of subletting or assigning this Charter to any individual or company but Charterer shall always remain responsible for the due fulfillment of this Charter in all of its terms and conditions.

LAY-UP

35. Charterer shall have the option of laying up the Vessel for all or any portion (exceeding 30 days) of the charter period, in which case hire hereunder shall continue to be paid, but there shall be credited against such hire the whole amount which Owner shall save (or reasonably should save) during such period of lay-up through reduction in expenses, less any extra expenses to which the Owner is put as a result of such lay-up.

Should Charterer, having exercised the option granted hereunder, desire the Vessel again to be put into service, Owner will, upon receipt of notice from Charterer to such effect, immediately take steps to restore the Vessel to service as promptly as possible. The option granted to Charterer hereunder may be exercised one or more times during the currency of this Charter or any extension thereof.

any increase in war risk insurance premiums on Vessel and/or crew and/or crew bonus over those in effect on 2nd August 1973 shall be for Charterer's account.

LUBRICANTS

~~36. Owner agrees to use only brand the Vessel exclusively petroleum products manufactured supplied and sold by Texaco Inc. and/or its subsidiaries or affiliates. In the event the Vessel at the date of this Charter is using other petroleum products, Owner agrees to purchase replenishment supplies while the Vessel performing hereunder from Texaco Inc. or its subsidiaries or affiliates. If for any specific situation the price of Texaco Inc. or its subsidiaries or affiliates can be shown as not being competitive with a bona fide offer from another supplier and/or present supplier for such requirement, then Texaco Inc. and/or its subsidiaries or affiliates shall have the option to meet such price or to~~
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SALVAGE

37. All salvage monies earned by the Vessel shall be divided equally between Owner and Charterer after deducting Master's, Officers' and Crew's share, legal expenses, hire of Vessel during lost time, value of fuel consumed, repairs of damage, if any, and any other extraordinary loss or expense sustained as a result of the service, which shall always be a first charge on such monies.
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OIL POLLUTION PREVENTION

38. Owner agrees to follow Charterer's instructions with respect to the handling of oily residues and tank washings throughout the period of this Charter.
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POLLUTION FINANCIAL RESPONSIBILITY

39. During the period of this Charter, Owner warrants that Owner shall comply with all financial capability, responsibility, security or like laws, regulations and/or other requirements of whatsoever kind with respect to oil or other pollution damage applicable to the Vessel entering, leaving, remaining at or passing through any ports or places or waters in the performance of this Charter. Owner at its sole risk and expense shall make all arrangements by bond, insurance or otherwise and obtain all such certificates or other documentary evidence and take all such other action, as may be necessary, to satisfy such laws, regulations and/or other requirements. Owner shall indemnify Charterer against all consequences (including lost time to the Vessel) resulting from any failure, inability or omission of Owner and/or the Vessel to do the foregoing.
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TOVALOP

40. Owner warrants that the Vessel is a participating tanker in TOVALOP and will so remain during the currency of this Charter, provided, however, that if Owner acquires the right to withdraw from TOVALOP under Clause VIII thereof, nothing herein shall prevent it from exercising that right provided Owner notifies Charterer forthwith of its intention to withdraw.
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When an escape or discharge of oil occurs from the Vessel and causes or threatens to cause pollution damage to coastlines, Owner will promptly take whatever measures are necessary to prevent or mitigate such damage. Owner hereby authorizes Charterer or Charterer's nominee, at Charterer's option, upon notice to Owner or Master, to undertake such measures as are reasonably necessary to prevent or mitigate the pollution damage, unless Owner promptly undertakes same. Charterer or nominee shall keep Owner advised of the nature and results of any such measures taken by it, and, if time permits, the nature of the measures intended to be taken by it. Any of the aforementioned measures actually taken by Charterer, or Nominee, shall be deemed taken on Owner's authority and shall be at Owner's expense with the right to deduct the costs thereof from monies payable by Charterer to Owner under this Charter (except to the extent that such escape or discharge was caused or contributed to by Charterer or nominee), provided that if Owner considers said measures should be discontinued, Owner shall so notify Charterer or nominee and thereafter Charterer or nominee shall have no right to continue said measures under the provisions of this clause.
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Any dispute between Owner and Charterer as to the reasonableness of the measures undertaken and/or the expenditure incurred by Charterer hereunder, shall be referred to arbitration or the competent Court as provided for in this Charter.
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The above provisions are not in derogation of such other rights as Charterer or Owner may have under this Charter, or may otherwise have or acquire by law or any international convention.
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EXCEPTIONS

41. Neither the Vessel nor the Master or Owner shall be or shall be held liable for any loss of or damage or delay to the cargo or for any failure in performing hereunder arising or resulting from: any act, neglect, default or barratry of the Master, pilots, mariners or other servants of Owner in the navigation or management of the Vessel; fire, unless caused by the personal design or neglect of Owner; collision, stranding, or peril, danger or accident of the sea or other navigable waters; saving or attempting to save life or property; wastage in weight or bulk, or any other loss or damage arising from inherent defect, quality, or vice of the cargo; any act or omission of Charterer or Owner, shipper or consignee of the cargo, their agents or representatives; insufficiency of packing; insufficiency or inadequacy of marks; explosion, bursting of boilers, breakage of shafts, or any latent defect in hull, equipment or machinery, unseaworthiness of the Vessel unless caused by want of due diligence on the part of Owner to make the Vessel seaworthy or to have her properly manned, equipped and supplied; or from any other cause of whatsoever kind arising without the actual fault or privity of Owner. And neither the Vessel, her master or Owner, nor Charterer, shall, unless otherwise in this charter expressly provided, be responsible for any loss of or damage or delay to or failure to discharge or deliver the cargo or for any failure in performing hereunder arising or resulting from: act of God; act of war; perils of the seas; act of public enemies, pirates or assailing thieves; arrest or restraint of princes, rulers or people, or seizure under legal process provided bond is promptly furnished to release the Vessel or cargo; strike or lockout or stoppage or restraint of labor from whatever cause either partial or general; or riot or civil commotion. Vessel shall have liberty to sail with or without pilots, to tow or to be towed, to go to the assistance of vessels in distress and to deviate for the purpose of saving life or property or of landing any ill or injured person on board. This clause is not to be construed as in any way affecting the provisions for cessation of hire as provided in this Charter.
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WAR CLAUSES

42. No contraband of war shall be shipped, but petroleum and/or its products shall not be deemed contraband of war for the purpose of this clause unless shipped or intended to be shipped to or intended for a country involved in war; nor shall the Vessel be required to enter any port that is in a state of blockage, or where hostilities are in progress or any war zone, or zone deemed a danger zone in consequence of existence of war, or actual hostilities, without the consent of Owner, and if such consent be given then Charterer will pay the cost of insuring the Vessel against all war risks in an amount equal to the value under her ordinary marine policy but not exceeding \$2,145,000. reducing 5% per annum. Said valuation shall be Owner's insured value for hull and machinery plus increased value, but shall not include any coverage for any other reasons such as loss of hire, anticipated profits or insurance on charter hire, etc. Owner agrees to apply for and reimburse Charterer for any rebates by reason of Vessel trading in lower premium rate areas insofar as war risk insurance coverage is defined, said reimbursement to be limited to Charterer's pro rata share of such rebate. Charterer will not be liable
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for war risk insurance premiums while Vessel is off hire; war risk insurance to be arranged by Owner. 445

43. In the event of the existence of war, or actual hostilities and the continuance of this Charter, 446
the Charterer shall assume the proved additional cost of wages and insurance properly incurred in con- 447
nection with the Master, Officers and Crew as a consequence of such war or actual hostilities. 448

REQUISITION

44. Should the Vessel be requisitioned by any government or governmental authority during the 449
period of this Charter, she shall be off hire hereunder during the period of such requisition, and any hire 450
or other compensation paid in respect of such requisition shall be for Owner's account. The time the 451
Vessel is on any requisition shall count as part of the period provided in Clause 3 of this Charter. 452

CHANGE OF OWNERSHIP

45. Owner shall not change ownership and/or flag of the Vessel without prior written approval 453
of Charterer. 454

DAMAGES

46. Damages for breach of this Charter shall include all provable damages, and all reasonable costs 455
and attorney fees incurred in any action or proceeding hereunder. 456

DEMISE

47. Nothing herein contained shall be construed as creating a demise of the Vessel to Charterer. 457

WAR RISKS

48. (a) If any port of loading or of discharge named in this Charter Party or to which the Vessel 458
may properly be ordered pursuant to the terms of the Bills of Lading be blockaded, or 459
(b) if owing to any war, hostilities, warlike operations, civil war, civil commotions, revolutions 460
or the operation of international law (1) entry to any such port of loading or of discharge, 461
or the loading or discharging of cargo at any such port be considered by the Master or 462
Owner in his or its discretion dangerous or prohibited or (2) it be considered by the Master 463
or Owner in his or its discretion dangerous or impossible for the Vessel to reach any such 464
port of loading or discharge—Charterer shall have the right to order the cargo or such part 465
of it as may be affected to be loaded or discharged at any other safe port of loading or of 466
discharge within the range of loading or discharging ports respectively established under 467
the provisions of this Charter Party (provided such other port is not blockaded or that entry 468
thereto or loading or discharge of cargo thereat is not in the Master's or Owner's discretion 469
dangerous or prohibited). If in respect of a port of discharge no orders be received from 470
Charterer within 48 hours after it or its agents have received from Owner a request for the 471
nomination of a substitute port, Owner shall then be at liberty to discharge the cargo at 472
any safe port which it or the Master may in its or his discretion decide on (whether within 473
the range of discharging ports established under the provisions of this Charter Party or not) 474
and such discharge shall be deemed to be due fulfilment of the contract or contracts of 475
affreightment so far as cargo so discharged is concerned. In the event of the cargo being 476
loaded or discharged at any such other port within the respective range of loading or dis- 477
charging ports established under the provisions of this Charter Party, this Charter Party 478
shall be read in respect of freight and all other conditions whatsoever as if the voyage 479
performed were that originally designated. In the event, however, that the Vessel discharges 480
the cargo at a port outside the range of discharging ports established under the provisions 481
of this Charter Party, freight shall be paid as for the voyage originally designated and all 482
extra expenses involved in reaching the actual port of discharge and/or discharging the 483
cargo thereat shall be paid by Charterer or cargo owner. In this latter event Owner shall 484
have a lien on the cargo for all such extra expenses. 485
(c) The Vessel shall have liberty to comply with any directions or recommendations as to de- 486
parture, arrival, routes, ports of call, stoppages, designations, zones, waters, delivery or 487
in any other wise whatsoever given by the government of the nation under whose flag the 488
Vessel sails or any other government or local authority including any de facto government 489
or local authority or by any person or body acting or purporting to act as or with the author- 490
ity of any such government or authority or by any committee or person having under the 491
terms of the war risks insurance on the Vessel the right to give any such direction or rec- 492
ommendation. If by reason of or in compliance with any such direction or recommendation 493
anything is done or is not done such shall not be deemed a deviation. If by reason 494
of or in compliance with any such direction or recommendation the Vessel does not proceed 495
to the port or ports of discharge originally designated or to which she may have been or- 496
dered pursuant to the terms of the Bill of Lading, the Vessel may proceed to any safe port of 497
discharge which the Master or Owner in his or its discretion may decide on and there dis- 498
charge the cargo. Such discharge shall be deemed to be due fulfilment of the contract or 499
contracts of affreightment and Owner shall be entitled to freight as if discharge had been 500
effected at the port or ports originally designated or to which the Vessel may have been 501
ordered pursuant to the terms of the Bills of Lading. All extra expenses involved in reaching 502
and discharging the cargo at any such port of discharge shall be paid by Charterers and/or 503
cargo owner and Owner shall have a lien on the cargo for freight and all such expenses. 504

BOTH TO BLAME

49. If the Vessel comes into collision with another ship as a result of the negligence of the other 505
ship and any act, neglect or default of the Master, mariner, pilot or the servants of the Owner in the 506
navigation or in the management of the Vessel, the owners of the cargo carried hereunder shall indemnify 507
the Owner against all loss or liability to the other or non-carrying ship or her owners insofar as such loss 508
or liability represents loss of, or damage to, or any claim whatsoever of the owners of said cargo, paid 509
or payable by the other or recovered by the other or non-carrying ship or her owners as part of their claim 510
against the carrying ship or Owner. The foregoing provisions shall also apply where the owners, operators 511
or those in charge of any ships or objects other than, or in addition to, the colliding ships or object are 512
at fault in respect of a collision or contact. 513

NEW JASON CLAUSE

50. In the event of accident, danger, damage or disaster before or after the commencement of any 514
voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the 515
consequence of which, the carrier is not responsible, by statute, contract or otherwise, the goods, 516
shippers, consignees or owners of the goods shall contribute with the carrier in general average to the 517
payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred 518
and shall pay salvage and special charges incurred in respect of the goods. If a salving ship is owned or 519
operated by the carrier, salvage shall be paid for as fully as if the said salving ship or ships belonged 520

to stranger... the carrier or his agents may deem sufficient to cover the estimated contribution of the goods... if required, be made by the goods, shippers, consignees or owners of the goods to carrier before delivery. In lieu of said deposit, Charterer has the option to give and Owner will accept written guarantee of Charterer to cover any contribution of the goods and any salvage and special charges thereon as may be required to be made by the goods, shippers, consignees or owners of the goods.

CLAUSE
PARAMOUNT

51. Bills of Lading issued hereunder shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States, approved April 16, 1936, except that if any Bill of Lading is issued at a place where any other act, ordinance or legislation gives statutory effect of the International Convention for the Unification of Certain Rules relating to Bills of Lading at Brussels, August 1924, then the Bill of Lading shall have effect subject to the provisions of such act, ordinance or legislation. The applicable act, ordinance or legislation hereinafter called the "act" shall be deemed to be incorporated in the Bills of Lading issued hereunder and nothing therein contained shall be deemed a surrender by the Owner or carrier of any of their rights or immunities or an increase of any of their responsibilities or liabilities under the act. If any terms of the Bills of Lading issued hereunder be repugnant to the act to any extent, such term shall be void to that extent but no further.

LAWS

52. This charter shall, so far as possible, be governed by the applicable laws of the United States/ except in cases of general average, which shall be adjusted, stated and settled according to York Antwerp Rules 1950 and, as to matters not provided for by these rules, according to the laws and usages at the port of New York. If a General Average statement is required, it shall be prepared at such port or place in the United States/ as selected by Owner, unless otherwise mutually agreed, by an Adjuster appointed by Owner and approved by Charterer, who shall attend to the settlement and collection of the General Average, subject to customary charges. General Average Agreements and/or security shall be furnished by Owner and/or Charterer, and/or Owner and/or Consignee of cargo, if requested. Any cash deposit being made as security to pay General Average and/or salvage shall be remitted to the Average Adjuster and shall be held by him at his risk in a special account in a duly authorized and licensed bank at the place where the General Average statement is prepared. Should the Vessel put into a port of distress or be under average, she is to be consigned to the Owner's agents, paying them the usual charges and commissions.

LIMITATION
OF LIABILITY

53. Any provision of this Charter to the contrary notwithstanding, Owner shall have the benefit of all limitations of, and exemptions from, liability accorded to the Owner or Chartered Owner of vessels by any statute or rule of law for the time being in force.

COMMISSION

54. 2 1/4 per cent commission shall be due by the Vessel and her Owner on all hire as paid under this Charter to Boyd, Weir & Sewell, Inc. for division with Ballestrera & Tuena S.p.A.

ARBITRATION

55. Any and all differences and disputes of whatsoever nature arising out of this Charter shall be put to arbitration in the City of NEW YORK, pursuant to the laws relating to arbitration there in force, before a board of three persons, consisting of one arbitrator to be appointed by Owner, one by Charterer and one by the two so chosen. The decision of any two of the three on any point or points shall be final. Either party hereto may call for such arbitration by service upon any officer of the other, wherever he may be found, of a written notice specifying the name and address of the arbitrator chosen by the first moving party and a brief description of the disputes or differences which such party desires to put to arbitration. If the other party shall not, by notice served upon an officer of the first moving party within twenty days of the service of such first notice, appoint its arbitrator to arbitrate the disputes or differences specified then the first moving party shall have the right without further notice to appoint a second arbitrator, who shall be a disinterested person, with precisely the same force and effect as if said second arbitrator had been appointed by the other party. In the event that the two arbitrators fail to appoint a third arbitrator within twenty days of the appointment of the second arbitrator, either arbitrator may apply to a judge of any court of maritime jurisdiction in the city above mentioned for the appointment of a third arbitrator, and the appointment of such arbitrator by such judge on such application shall have precisely the same force and effect as if such arbitrator had been appointed by the two arbitrators. Until such time as the arbitrators finally close the hearings either party shall have the right by written notice served on the arbitrators and on an officer of the other party to specify further disputes or differences under this Charter for hearing and determination. Awards made in pursuance to this clause may include costs, including a reasonable allowance for attorneys' fees, and judgment may be entered upon any award made hereunder in any court having jurisdiction in the premises.

Clauses 56 through 57 as attached are incorporated in this charterparty.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS CHARTER TO BE EXECUTED IN DUPLICATE THE DAY AND YEAR HEREIN FIRST ABOVE WRITTEN.

WITNESS TO SIGNATURE OF

WITNESS TO SIGNATURE OF

" ST. PETER "

C/P dated August 2, 1973

CLAUSE 56. Charterer agrees to schedule the Vessel to Europe or the Mediterranean Sea once every 6/9 months.

CLAUSE 57. The Owner will be allowed a maximum of 72 hours per year on hire for boiler cleaning or overhauling machinery provided this work cannot be done during loading or discharging of cargo or while ballasting or simultaneously with drydocking or repairing or while waiting for berth or cargo. This time is not cumulative.

ATTACHMENT 1
To Form M 242

Performance Calculations:

(A) Speed

moderate

which are defined as up to and including Beaufort Scale

1. The average actual speed (laden and ballast) under all weather conditions divided by the speed stipulated in Clause 1(f) times actual hours under all weather conditions equals Charter Party hours.
2. Total actual hours under all weather conditions less Charter Party hours times hire per hour equals speed differential.

Example:

1. Speed $\frac{15.0}{15.5 \text{ C/P Warranty}}$ (basis 300 days) $= 0.96774 \times 7200 \text{ hours} = 6968 \text{ C/P hours}$
2. 7200 actual hours (15.0)
 $- 6968 \text{ C/P hours (15.5)}$
 232 Hours x \$ Hire rate per hour = \$ compensation due Charterer

To calculate hire rate per hour:

$$\frac{\text{Hire Rate} \times \text{DWT} \times 12 \text{ months}}{365 \text{ Days} \times 24 \text{ Hours}} = \text{Hire Per Hour}$$

(B) Fuel Consumption — Propulsion

1. Total miles under all weather conditions (laden and ballast) divided by the speed stipulated in Clause 1(f) (knots x 24 hours) equals Charter Party days.
2. Charter Party days times daily consumption for propulsion in Clause 1(f) equals total fuel allowance for propulsion purposes.
3. Total fuel allowance for propulsion less actual consumption for propulsion equals fuel consumption difference.

Example:

1. Vessel steams at 15.0 K for 300 days (108,000 miles) with actual consumption for period of 3,000 tons.
2. $\frac{108,000 \text{ miles}}{15.5 \text{ knots (C/P Warranty)} \times 24 \text{ hrs.}} = 290.32 \text{ C/P days}$
3. 290.32 C/P days x 10 tons per day (C/P Warranty) = 2903.2 tons allowed
 Less actual consumption 3000.0 tons
 Total excess consumption 96.8 tons
4. 96.8 tons x average price Clause 10(a) = Amount due Charterer

DESCRIPTION OF VESSEL

This form is to be completed and returned as soon as possible after charter negotiations are commenced. When completed and agreed the form will be incorporated into the Charter Party and the particulars contained therein will be taken as representations by Owners, except as otherwise specifically provided, and binding upon them.

Dated August 2, 1973

Of the Liberian Motor/~~Steam~~ Tank Vessel "ST. PETER"

		Particulars to be Completed	
1. Classification	<u>ABS</u>		
2. Deadweight (classified summer freeboard)	<u>34,730</u>	Tons	
Tropical S.W.	<u>35,747</u>	Tons	
Winter S.W.	<u>33,713</u>	Tons	
Suez Canal Net Registered Tonnage	<u>20,817.88</u>	Tons	
3. Dimensions			
(a) Length overall	<u>639</u> Ft.	<u>3</u> Ins.	
(b) Length between perpendiculars	<u>625</u> Ft.	<u>0</u> Ins.	
(c) Beam extreme	<u>86</u> Ft.	<u>0</u> Ins.	
(d) Molded depth	<u>45'</u> Ft.	<u>9"</u> Ins.	
(e) Draft: Fully laden in salt water on classified summer freeboard	<u>35'</u> Ft.	<u>10 3/4"</u> Ins.	
Tropical S.W.	<u>36'</u> Ft.	<u>7 3/4"</u> Ins.	
Winter S.W.	<u>35'</u> Ft.	<u>1 3/4"</u> Ins.	
Fresh water allowance		<u>11</u> Ins.	
Light ship	<u>9'</u> Ft.	<u>0</u> Ins.	
With permanent ballast only	<u>/</u> Ft.	<u>/</u> Ins.	
With normal ballast	<u>22'</u> Ft.	<u>0</u> Ins.	
4. Boiler and Steam Capacity	<u>3 SCOTCH BOILERS</u>		
(a) Number and type			
(b) Estimated maximum temperature at which can maintain cargo heating	<u>130</u>	Degrees F.	
(c) Net steam available for driving cargo pumps (i.e. total steam available less that required for maintaining heat of cargo, driving auxiliaries and ship's services)	<u>8,000</u>	lbs., per hr.	
5. Speed and Consumption (to conform with Clause 1 (f))			
(a) Average service speed	<u>14.25</u>	Kts.	
(b) Fuel consumption per day at sea for all purposes except cargo heating or tank cleaning at average service speed:			
(1) Main engines or boilers	<u>40</u>	Tons Per Day	
Grade of bunkers	<u>HEAVY FUEL 1500 RW</u>		
(2) Auxiliary boilers (if auxiliaries are electrically driven, consumption of diesel generators)	<u>1.5</u>	Tons Per Day	
Grade of bunkers	<u>DIESEL</u>		
6. Bunker and Water Capacity			
(a) Capacity of bunker tanks	<u>2,250</u>	Fuel Tons	<u>110</u> Diesel Tons
(b) Number of grades of bunkers can segregate	<u>4</u>	Grades	
(c) Capacity of water tanks	<u>1100</u>	Tons	
(d) Steaming range afforded by capacity of bunker tanks	<u>16,000</u>	Miles	
(e) Steaming range afforded by capacity of water tanks and/or evaporators	<u>18,000</u>	Miles	
7. Cargo Tanks			
(a) Number of compartments	<u>33</u>		
(b) Total capacity in fresh water (98% full)	<u>27,475</u>	U.S. barrels	
(c) Number of grades can segregate with two valve separation	<u>2</u>	Grades	
(d) Quantities each section	<u>14,400 - 29,350</u>	Tons	

LOADING/DISCHARGING ARRANGEMENT

Particulars to be
Completed

- B. Cargo Loading Performance
- (a) Maximum rate at which vessel can load homogenous cargo 4,000 Tons per Hr.
- (b) Maximum rate at which vessel can load each grade when loading two grades simultaneously 2,000 Tons per Hr.
9. Amidships Loading and Discharging Manifolds
- (a) What is the distance of manifolds from bow 320'
stern 318'
- (b) Distance of manifold flanges from ship's rail 15' 3"
- (c) Is vessel equipped with removable or temporary rails in way of manifold Yes/No
- (d) If rails in way of manifold are permanent what is height -
- (e) Construction material manifolds (cast iron, steel, etc.) CAST IRON
- (f) Size of connections on each side: 14"
- (g) Height of centers of flanges above deck 4' 0"
- (h) Distance between centers of manifold flanges 4' 2"
- (i) Is vessel equipped with sufficient reducing pieces to enable loading and discharging connections on port or starboard side to be connected to 12", 10" or 8" hoses? YES Number and sizes of reducers 2-12" 2-10" 2-8"
- (j) Number of loading/discharging lines can connect on each side FOUR
- (k) Number and position of bunkering connections relative to loading/discharging manifolds TWO
10. Cargo and Bunkering Lines
- Does arrangement of cargo lines, valves, gas vents, etc., permit:
- (a) Stern as well as normal amidships loading/discharging for
- (1) Cargo YES
- (2) Bunkers YES
- (b) State number of grades can load/dischARGE simultaneously through amidship connection with two valves separation without risk of contamination FOUR Grades
- Bunker connections:
- (a) Size and reducers available 6" - 8" - 10"
- (b) Location of flanges from ship's side: Midship & After
11. Ballasting System
- (a) Is vessel equipped with separate ballasting system? YES
- (b) State percentage of ship's summer deadweight separate system can contain 50% %
- (c) Time required load and discharge quantity of ballast as in (b)
- (1) Load 12 Hrs.
- (2) Discharge 12 Hrs.
- (d) Can ballast and cargo be handled simultaneously NO Yes/No
12. Cargo Pumps
- (a) Number FOUR
- (b) Make EUREKA (2) - WORTHINGTON (2)
- (c) Type Steam Duplex and Turbogearred centrifugal
- (1) If reciprocating:
State distance from suction valve plates to base line of vessel 10' 6"
- (2) If Centrifugal:
State distance from center of impeller to base line of vessel 8' 6"
- (d) Size 18"x30"x18"x28" (2) - 12 IAS - 5 (2)
- (e) Designed rated capacity of each pump in water tons per hour at 100 lb. p.s.i.
pressure at the pump 750 w.t.p.h.

13. Stripping Pumps

- (a) Number and size TWO 12" x 11" x 12"
(b) Capacity of each pump in water tons per hour against pressure at 100 lb. p.s.i.
at the pump 150 w.t.p.h.

14. Heating Coils

- (a) Type of coils and material of which manufactured ALUM - BRASS
(b) Volume of tank per sq. ft. of heating surface
(1) Center tanks 4.664 sq. ft. cu. ft.
(2) Side tanks 9.350 sq. ft. cu. ft.
(c) Height of coils from tank bottoms 12" inches

15. General

- (a) Cubic capacity of forehold GRAIN 39,000 cu. ft.
(b) Is forehold registered for low flash package cargoes? NO
(c) Safe working load of derrick or davit of poop deck 1 tons
(d) Safe working load of derricks in way of manifold 5 tons
(e) Safe working load of derrick for handling forehold cargo 3.5/7.5 tons
(f) Radio Telephone fitted YES Yes/No
(g) Automatic Pilot fitted YES Yes/No
(h) Echo Sounder fitted YES Yes/No
(i) Radar fitted YES Yes/No
(j) Decca Navigator fitted? YES Yes/No
(k) Submerged log fitted? NO Yes/No
(l) Are any auxiliaries run on gasoil? NO Yes/No
If so give details of consumption _____
(m) Type of galley and fuel required ELECTRIC
(n) Type of winches, (electric, steam, etc.) STEAM
(o) Are tensioning winches and wires fitted? NO
(p) Is Suez Canal Projector fitted? YES
(q) If Vessel's dimensions compatible with Panama Canal transit will she comply with Panama Canal Regulations for the carriage of:
(1) Grade "A" cargoes YES
(2) Grade "B" cargoes YES
(3) Grade "C" cargoes YES
(4) Grade "D" cargoes YES
(r) Special Instrumentation such as Doppler Navigation or Docking Systems:

//

- (s) With what type and size bow fairleads is vessel equipped:

//

- (t) Any special type of mooring equipment for making fast to a Single Point Mooring (such as Smitt's Towing Bracket) or other quick release devices:

//

N.B. When submitting this Form the following plans should be attached:

- (1) General Arrangement Plan.
- (2) Pumping Arrangement Plan.
- (3) Plan of Cargo Tank Ventilating System.
- (4) Characteristic Curves of pumps if Centrifugal pumps installed.
- (5) Deadweight Scale and TPI's at various light and loaded drafts.

LONDON: HODDER
1/10/01.

INSTITUTE WARRANTIES.

1. Warranted no:—

- (a) Atlantic Coast of North America, its rivers or adjacent islands,
 - (i) north of $52^{\circ} 10'$ N. Lat. and west of 50° W. Long.;
 - (ii) south of $52^{\circ} 10'$ N. Lat. in the area bounded by lines drawn between Battle Harbour/Fatchet Bay; Capo Ray/Capo North; Port Hawkesbury, Port Mulgrave and Baie Comeau/Matane, between 1st December and 30th April b.d.i.
 - (iii) west of Baie Comeau/Matane (but not west of Montreal) between 10th November and 15th May b.d.i.
- (b) Great Lakes or St. Lawrence Seaway west of Montreal.
- (c) Greenland Waters.
- (d) Pacific Coast of North America its rivers or adjacent islands north of $61^{\circ} 30'$ N. Lat., or west of $130^{\circ} 30'$ W. Long.

2. Warranted no Baltic Sea or adjacent waters east of 15° E. Long.

- (a) North of a line between Mo ($63^{\circ} 24'$ N. Lat.) and Vasa ($65^{\circ} 06'$ N. Lat.) between 15th November and 5th May b.d.i.
- (b) East of a line between Viipuri (Vyborg) ($28^{\circ} 47'$ E. Long.) and Narva ($28^{\circ} 12'$ E. Long.) between 21st November and 5th May b.d.i.
- (c) North of a line between Stockholm ($59^{\circ} 26'$ N. Lat.) and Tallinn ($59^{\circ} 24'$ N. Lat.) between 15th December and 15th April b.d.i.
- (d) East of 22° E. Long. and south of 59° N. Lat. between 15th December and 15th April b.d.i.

3. Warranted not North of 70° N. Lat. other than voyages direct to or from any port or place in Norway or Kola Bay.

4. Warranted no Behring Sea, no East Asian waters north of 40° N. Lat. and not to enter or sail from any port or place in Siberia except Nakhodka and/or Vladivostok.

5. Warranted not to proceed to Kerguelen and/or Crozet Islands or south of 50° S. Lat., except to ports and/or places in Patagonia and/or Chile and/or Falkland Islands, but liberty is given to enter waters south of 60° S. Lat., if en route to or from ports and/or places not excluded by this warranty.

6. Warranted not to sail with Indian Coal as cargo:—

- (a) between 1st March and 30th June, both days inclusive.
- (b) between 1st July and 30th September, both days inclusive, except to ports in Asia, not West of Aden or East of or beyond Singapore.

CL. 26. For sale by JOSEPH LEXAN, 11 John Street, New York, N. Y. 10038 Printed in U.S.A.

1. 0

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1974

Commission file number 1-7176

COASTAL STATES GAS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

74-1734212

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

Five Greenway Plaza East, Houston, Texas

77046

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (713) 627-3700

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock (\$.33-1/3 par value)	New York Stock Exchange
\$1.19 Cumulative Convertible Preferred Stock, Series A (\$.33-1/3 par value)	New York Stock Exchange
\$1.83 Cumulative Convertible Preferred Stock, Series B (\$.33-1/3 par value)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes ☒ No ☐

Exhibit "B"

COASTAL STATES GAS CORPORATION
SCHEDULE III - INVESTMENTS IN, EQUITY IN EARNINGS OF, AND DIVIDENDS
RECEIVED FROM AFFILIATES AND OTHER PERSONS
(Thousands of Dollars)

Name of Issuer and Description of Investment	Balance at Beginning of Period		Additions		Deductions		Balance at End of Period	
	Number of Shares	Amount	Equity in Earnings	Other	Distribution of Earnings	Other	Number of Shares	Amount
Year Ended December 31, 1973:								
Coastal States Gas Producing Company (100% owned):								
Common stock, par value 33 1/3¢ per share			\$17,887	\$310,443 (A)	\$ 8,200		10	\$322,100
Colorado Interstate Corporation (100% owned):								
Common stock, par value \$5 per share			22,014	172,835 (A)	7,000		10	187,849
Gas Producing Enterprises, Inc. (100% owned):								
Common stock, par value \$1,000 per share			1,610	21,115 (B)			500	22,725
Union Petroleum Corporation (100% owned):								
Common stock, no par value			1,147	4,230 (C)			99	5,377
Foreign Energy Tankers, Inc. (100% owned):								
Common stock, no par value			2,654	1			100	2,655
Coastal States Energy Company (100% owned):								
Common stock, par value \$5 per share			(14)	1			200	(13)
			<u>\$45,298</u>	<u>\$508,625</u>	<u>\$15,200</u>			<u>\$568,723</u>
Year Ended December 31, 1974:								
Coastal States Gas Producing Company (100% owned):								
Common stock, par value 33 1/3¢ per share	10	\$320,130	\$16,161	\$ -	\$31,760		10	\$324,531

(Continued on next page)

COASTAL STATES GAS CORPORATION

**SCHEDULE III - INVESTMENTS IN, EQUITY IN EARNINGS OF, AND DIVIDENDS
RECEIVED FROM AFFILIATES AND OTHER PERSONS (Continued)**
(Thousands of Dollars)

Name of Issuer and Description of Investment	Balance at Beginning of Period		Additions		Deductions		Balance at End of Period	
	Number of Shares	Amount	Equity in Earnings	Other	Distribution of Earnings	Other	Number of Shares	Amount
Colorado Interstate Corporation (100% owned):								
Common stock, par value \$5 per share ..	10	167,849	42,336	141	7,000		10	223,323
Gas Producing Enterprises, Inc. (100% owned):								
Common stock, par value \$1.000 per share	500	22,725	5,116		600		500	27,241
Union Petroleum Corporation (100% owned):								
Common stock, no par value	99	5,377	3,085	14	1,300		99	7,176
Foreign Energy Tankers, Inc. (100% owned):								
Common stock, no par value	100	2,655	—			2,655 (D)	—	—0—
Coastal States Energy Company (100% owned):								
Common stock, par value \$5 per share ..	200	(13)	(2,619)				200	(2,632)
Coscol Petroleum Corporation (100% owned):								
Common stock, par value \$1 per share ..			(175)	2,655 (D)			1,000	2,480
Western Fuel Company (100% owned):								
Common stock, par value \$10 per share			253	25			2,500	263
		<u>\$538,723</u>	<u>\$64,162</u>	<u>\$ 2,835</u>	<u>\$40,600</u>	<u>\$2,655</u>		<u>\$532,405</u>

(A) Became a subsidiary of Coastal States Gas Corporation on January 2, 1973.

(B) Acquired from Coastal States Gas Producing Company.

(C) Acquired during 1973.

(D) Transferred to Coscol Petroleum Corporation.

41a

COASTAL STATES GAS CORPORATION

BANK CREDIT AGREEMENT

Dated as of January 16, 1975

with

CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,

as Agent,

and

BANK OF THE SOUTHWEST NATIONAL ASSOCIATION, HOUSTON,

as Co-Agent,

and

CONTINENTAL ILLINOIS NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

BANK OF THE SOUTHWEST NATIONAL ASSOCIATION, HOUSTON

THE FIRST NATIONAL BANK AND TRUST
COMPANY OF OKLAHOMA CITY

MARINE MIDLAND BANK—NEW YORK

FIRST NATIONAL CITY BANK

PHILADELPHIA NATIONAL BANK

SECURITY NATIONAL BANK

BANKERS TRUST COMPANY

DETROIT BANK & TRUST

IRVING TRUST COMPANY

BANK OF MONTREAL (CALIFORNIA) and

SECURITY PACIFIC NATIONAL BANK,

the Banks

EXHIBIT B

FIRST TIER SUBSIDIARIES OF COASTAL STATES GAS CORPORATION AND SUBSIDIARIES OF FIRST TIER SUBSIDIARIES

<u>Name</u>	<u>Jurisdiction of Incorporation</u>
Coastal States Gas Producing Company (First Tier Subsidiary)	Delaware
<i>Subsidiaries:</i>	
Coastal States Gase Gathering Company	Texas
Coastal States Marketing, Inc.	Texas
Coastal States Petrochemical Company	Texas
Link LPG Company	Texas
Lo-Vaca Gathering Company	Delaware
Peake Petroleum Company	Delaware
Petroleum Tower, Inc.	Texas
South Texas Natural Gas Gathering Company	Delaware
Texas Southwestern Gas Company	Texas
Colorado Interstate Corporation (First Tier Subsidiary)	Delaware
<i>Subsidiaries:</i>	
CIC Industries, Inc.	Delaware
CIG Exploration, Inc.	Delaware
CIG Manufacturing Corporation	Delaware
Trans-Colorado Pipeline Company	Delaware
Trans-Wyoming Pipeline Company	Delaware
CIG Industries, Inc.	Delaware
Cosco Petroleum Corporation (First Tier Subsidiary)	Delaware
<i>Subsidiaries:</i>	
Stonehurst Limited	Bermuda
Costa Petro	Cayman Islands
Holborn Oil Company Limited	Bermuda
<u>Foreign Energy Tankers, Inc.</u>	Liberia
Coastal States Energy Company (First Tier Subsidiary)	Texas
<i>Subsidiary:</i>	
Alaska Petroleum Company	Alaska
Union Petroleum Corporation (First Tier Subsidiary)	Massachusetts
<i>Subsidiaries:</i>	
Glen Petroleum Corporation	Massachusetts
Union Tankers Corporation	Massachusetts
Union Western Trade Corporation	Massachusetts
Union Oil Trading and Shipping Limited	Bermuda
Gas Producing Enterprises, Inc. (First Tier Subsidiary)	Delaware
<i>Subsidiary:</i>	
Western Enterprises, Inc.	Delaware
Western Fuel Oil Company (First Tier Subsidiary)	California

COASTAL STATE GAS CORPORATION

Five Greenway Plaza East
Houston, Texas 77016

September 14, 1973

(713) 627-3700

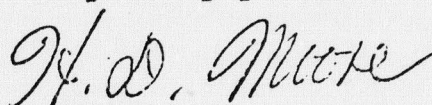
St. Paul Marine Transportation Corp.
c/o Boyd, Weir & Sewell, Inc.
17 Battery Place
New York, New York 10004

Re: S/T St. Peter
C/P Dated 8/2/73

Gentlemen:

In the event that Foreign Energy Tankers, Inc. defaults under any of the obligations and duties owed by it to St. Paul Marine Transportation Corporation under a time charter dated August 2, 1973 between Foreign Energy Tankers, Inc. and St. Paul Marine Transportation Corporation, this corporation will immediately require Foreign Energy to transfer the charter to it and will thereby assume and perform such duties and obligations and be entitled to all of the benefits under the charter arrangement.

Very truly yours,



H. D. Moore
Senior Vice-President

HDM:clm

Exhibit "C"

J. WARD GIBBS
 DEBRA D. GIBBS
 JAMES H. GIBBS
 EDWARD H. GIBBS
 JAMES H. GIBBS
 MICHAEL GIBBS
 JAMES H. GIBBS
 WILLIAM J. GIBBS
 GORDON W. GIBBS
 M. E. GIBBS
 WILLIAM E. GIBBS
 DAVID E. GIBBS
 RICHARD E. GIBBS
 EDWARD E. GIBBS
 RICHARD E. GIBBS
 RICHARD E. GIBBS
 CHARLES E. GIBBS
 CHARLES E. GIBBS
 THOMAS E. GIBBS
 STEPHEN E. GIBBS
 WALTER E. GIBBS
 R. GLENN GIBBS
 THOMAS E. GIBBS
 CARROLL E. GIBBS
 THOMAS E. GIBBS
 LEONARD E. GIBBS
 JAMES E. GIBBS

HAIGHT, GARDNER, POOR & HAVENS

ONE STATE STREET PLAZA

NEW YORK, N. Y. 10004

TELEPHONE (212) 344-6800

CABLE: MOTOR NEW YORK
 RCA TELETYPE 222124
 WU TELETYPE 670612
 WU TELETYPE 670613

WASHINGTON OFFICE
 FEDERAL BLDG. 10TH FLOOR
 1115 H STREET, N.W.
 WASHINGTON, D.C. 20004
 TELEPHONE (202) 737-2847
 CABLE: MOTOR WASHINGTON
 WASHINGTON WU TELETYPE 670612
 RALPH E. CASEY
 CARROLL E. GIBBS
 RESIDENT PARTNERS, WASHINGTON

January 2, 1976

AIR MAIL REGISTERED
 RETURN RECEIPT REQUESTED

George L. Brunarett, Jr., Secretary
 Coastal States Gas Corporation
 5 Greenway Plaza East
 Houston, Texas 77046

Re: S/T ST. PETER
Charterparty dated August 2, 1973
 Our File: 4824-1

Dear Sir:

We hereby notify you that your company's principal, Foreign Energy Tankers, Inc., has defaulted in its obligations under a charterparty dated August 2, 1973 for the S/T St. Peter. As guarantor of said charterparty, pursuant to an agreement dated September 14, 1973, your company is bound to arbitrate disputes which have arisen as a result of your principal's default. Accordingly, on behalf of our client, Atlantic Tankers, Ltd., owners of the St. Peter, we hereby demand arbitration against your company of disputes which have arisen under the charterparty. In accordance with Clause 55 of the charterparty owners appoint Michael Marks Cohen, Esq. of Messrs. Burlingham, Underwood and Lord, 25 Broadway, New York, N. Y. 10005 to serve as its arbitrator and hereby call upon your company to appoint its arbitrator within 20 days, advising Mr. Cohen and ourselves of the appointment, failing which we shall appoint an arbitrator on your behalf. The disputes involve whether charterer and yourselves as guarantors, are entitled to repudiate, cancel or otherwise terminate the Charterparty, and if not, what damages owners are entitled to recover.

Very truly yours,

HAIGHT, GARDNER, POOR & HAVENS

By

Charles S. Haight, Jr.

Charles S. Haight, Jr.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

.X

COASTAL STATES GAS CORPORATION, :

Plaintiff, :

-against- :

76 Civ. 524 IBW

ATLANTIC TANKERS, INC. :

ATLANTIC TANKERS, LTD.-MONROVIA and :

ST. PAUL MARINE TRANSPORT CORP., :

**FINAL
ORDER**

Defendants. :

.X

Plaintiff Coastal States Gas Corporation

("Coastal"), having filed suit against the above-named defendants seeking a declaratory judgment as to the obligation of plaintiff to arbitrate against any of the defendants as guarantor of charterer's performance arising out of a charterparty dated August 2, 1973, as amended, between Atlantic Tankers Ltd.-Monrovia ("Atlantic"), Owner, and Foreign Energy Tankers, Inc., ("FETI"), Charterer; and plaintiff having also moved the Court to enjoin defendants from proceeding with the appointment of an arbitrator on its behalf and with an arbitration in accordance with said charterparty; and

Defendant Atlantic, having appeared and filed papers in opposition to plaintiff's motion, and at the oral argument, having made a cross-motion for a consolidated arbitration of disputes between and among defendant Atlantic, plaintiff Coastal, and FETI, and having further advised the Court that a panel of three arbitrators to hear the aforementioned disputes has already been selected in a pending arbitration between Atlantic and FETI; and

The Court upon reading the briefs and affidavits of counsel, hearing oral argument, and being fully advised of the Premises; it is now

ORDERED that plaintiff Coastal's motion be, and the same hereby is, denied; and it is further

ORDERED that defendant Atlantic's cross-motion be, and the same hereby is, granted; and it is further

ORDERED that Coastal, as guarantor of FETI's performance under the charterparty, is bound to arbitrate with Atlantic; and it is further

ORDERED that all disputes involving Atlantic, Coastal, and FETI arising out of the charterparty dated August 2, 1973, as amended, guaranteed by Coastal, shall be referred to a consolidated arbitration before a panel of five arbitrators; and it is further

ORDERED that within ten days of the date of this order Coastal shall nominate its arbitrator who shall, within ten days thereafter, together with the two arbitrators previously nominated by Atlantic and FETI, appoint by unanimous action two additional arbitrators, one of whom may be the third arbitrator previously chosen in the Atlantic-FETI arbitration; and it is further

ORDERED that if Coastal shall fail to nominate an arbitrator, or if the three nominated arbitrators shall fail to appoint two additional arbitrators as provided above, the Court shall appoint said arbitrator or arbitrators on motion of any of the parties to the arbitration; and it is further

ORDERED that this action is stayed pending arbitration, provided however that this Court shall retain jurisdiction for the purpose of any subsequent proceedings that may be appropriate under the Federal Arbitration Act, 9 U.S.C. §§1 et seq.

Dated: New York, New York

March 19 , 1976.

/s/ Inzer B. Wyatt
U.S.D.J.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
:
COASTAL STATES GAS CORPORATION,
:
Plaintiff, 76 Civ. 524 IBW
:
-against-
:
ATLANTIC TANKERS, INC.
ATLANTIC TANKERS, LTD.-MONROVIA and :
ST. PAUL MARINE TRANSPORT CORP.,
:
Defendants.
:
----- X

PLEASE TAKE NOTICE that the plaintiff, Coastal States Gas Corporation in this action for a declaratory judgment hereby appeals to the United States Court of Appeals for the Second Circuit from the order dated March 19, 1976 and filed and entered in the office of the Clerk of this Court on March 22, 1976, which among other things ordered that Coastal States Gas Corporation was bound to arbitrate with Atlantic Tankers, Ltd.-Monrovia and that disputes arising out of the charter party dated August 2, 1973, as amended, be referred to a consolidated arbitration including disputes between Foreign Energy Tankers, Inc. and Atlantic Tankers, Ltd.-Monrovia before a panel of five arbitrators.

Dated: New York, New York
April 1, 1976

Yours etc.

KIRLIN, CAMPBELL & KEATING

By 

A Member of the Firm
120 Broadway
New York, New York 10005
(212) 732-5520

TO: HAIGHT, GARDNER, POOR & HAVENS
One State Street Plaza
New York, New York 10004

United States Court of Appeals
For the Second Circuit

-----x
Coastal States Gas Corp

Plaintiff, - Appellant

Atlantic Tankers against -
Atlantic Tankers Ltd Monrovia
St. Paul Marine Transport Corp

Defendant - Appellees

-----x
STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

Sabrina Deutsch, being duly sworn,

deposes and says:

On the 21 day of June, 1976, I served one
copy of the within appendix of Coastal States upon
Haight Gardner Poor & Havens, the attorney
for the above-named ~~plaintiff~~ ^{def-appellant} by depositing a true copy of
the same securely enclosed in a post-paid wrapper in a
Post Office Box regularly maintained by the United States
Government at 120 Broadway, New York, New York, directed
to said attorney for the ~~plaintiff~~ ^{def-appellant} at No. 1 State St. Plaza
New York, New York, that being the last known
address designated for the purpose on the preceding papers
in this action or the place where they kept an office.

Sabrina Deutsch

Sworn to before me this

21 day of June, 1976

Nicholas J. Marcantonio
Notary Public

NICHOLAS J. MARCANTONIO
Notary Public, State of New York
No. 31-4517276
Qualified in New York County
Commission Expires March 30, 1978

